What New Easy Money Policy Means to Business

LARGEST CIRCULATION
OF ANY CANADIAN
FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS
DEPARTMENT ON
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The Nation's Business

Canada Adopts New Monetary Policy

Purpose is Now to Ease Bank Credit

Markets Alarmed But Needlessly

Canada Tries to Ease Credit

WHILE Conservative supporters thumped on their desks and amid songs and cheers voted down a Progressive motion last Wednesday that the Canadian dollar be inflated to a parity with the pound sterling, the financial experts of the federal government were busy launching the most important monetary transaction which has taken place in this country in more than a decade and which definitely provides for Canada a mild dose of inflation, amounting (if used to the full) to about 12 per cent of our present note circulation.

Just what the ultimate effect of this new fiscal policy will be is as yet a matter for speculation. The immediate advantage is probably that it presages a definite monetary policy at Ottawa which will attempt to maintain stability—which does not mean parity—of the Canadian dollar in terms of foreign currencies. Just what that level will be, however, is as yet undisclosed. Assuming that the full degree of inflation allowed under the $35,000,000 loan transaction is used by the Canadian banks, the additional 12 per cent inflation provided would indicate, according to the authority, that the Canadian dollar will be kept at about 20 per cent discount in terms of the United States gold dollar. A week ago the discount was less than nine per cent, while currently the price of our dollar across the line is back to the level of three months ago or about 18 per cent discount. In terms of the United States dollar, the British pound is currently at a 30 per cent discount.

* * *

OTHER obvious effects have already made themselves felt. Wheat prices at Winnipeg which a week ago were at record low levels, showed immediate strength and in one day (Nov. 7) rose four cents for a net gain of two cents. It has been estimated that 450,000,000 bushels of wheat at current market levels would yield an additional $90,000,000 to Canada if the Canadian dollar were on a par with sterling. Similarly a gain of $20,000,000 to Canadian newsprint exporters is seen if the Canadian dollar were to be permanently at a 20 per cent discount in New York. Another $29,500,000 of found money is indicated on the same basis from Canada's exports of minerals to the United States.

These are the bright and alluring prizes of the inflationary path. They are the dazzling gains which Progressive spokesmen in the House of Commons have long believed Canada should win for herself. But there are other and less attractive concomitants of the easy money road.

* * *

FIRSTLY there is the heavy burden which inflation places in the payment of debt services abroad. For countries such as New Zealand and Australia whose debts are largely contracted at home or in Great Britain, inflation at least to the level now maintained by the latter country was perhaps a reasonable move. For Canada, whose debt obligation to the United States is nearly $4,000,000,000, a 20 per cent discount on the Canadian dollar means adding an additional $800,000,000 to capital debt, to which must be added correspondingly larger service charges, estimated to be about $65,000,000 annually if the Canadian dollar were to drop to the level of sterling. Secondly there is the very real difficulty that inflation when once embarked upon may prove the steep descent from which there is no recovery.

In Canada this might occur in two ways, either from the application of additional doses of inflation on the part of the government or by a "flight from the Canadian dollar" which might readily develop if American holders of Canadian securities were to become frightened that Canada were about to embark on any considerable policy of currency inflation. Close observers of the situation believe that such a flight would inevitably develop if Canada were to attempt to bring her dollar down to the present parity of sterling.

* * *

WHAT the Bennett government, with the advice of its new deputy minister of finance, probably hopes to achieve, is a middle course between these two

(Continued on page 2, col. 5)

DOMINION TAR PITCH EXPORTS AID POSITION

Shipments Made from Lake Ports for First Time

UNUSUAL SITUATION

World Shortage Boosts Prices —Company Handles Large Orders — Debenture Needs Earned

From Our Own Correspondent

MONTREAL.—Substantial shipments of pitch to European markets constitute an outstanding feature of Dominion Tar and Chemical Co.'s current operations. Hitherto small shipments have been made from Sydney; in the past few months pitch has been loaded for export at the company's Montreal, Toronto and Sault Ste. Marie plants and indications are that a total of 20,000 tons will be handled before the navigation season closes.

How unusual this situation is can be seen from the statement that only about 60 tons of pitch have been exported from Montreal in the past five years, the small quantities being handled in barrels. Today bulk shipments to France are being made in ocean-going ships even from Sault Ste. Marie, and Montreal plants of Dominion Tar have handled as much as 700 tons a day.

Tends to Lower Overhead

From a financial angle this innovation by Dominion Tar is relatively unimportant. Profit margins are narrow though prices for pitch are well in excess of those of a few years ago. Perhaps the most important point is the fact that these shipments enable the company to keep certain plants operating actively, cutting down overhead and giving additional employment. The company's creosoting business has been hard hit in the past two years and pitch exports tend to offset slackness in the creosoting units.

Demand for pitch has developed with remarkable rapidity, and its appearance is an interesting commentary on business conditions. In a considerable measure, the depression in the steel industry has been the means of stimulating prices for pitch.

Large Surplus Years Ago

Some years ago world stocks of pitch were such that there was a substantial surplus on hand and prices fell to low levels. London quotations were in the region of 21 shillings a ton; the market could not absorb the volume available. Gradually, however, the surplus was marketed. France was a heavy purchaser of tar for its road building operations and in the past two years the great curtailment in steel manufacturing operations still further reduced available supplies of tar. The result has been that purchasers of pitch suddenly found a shortage of that commodity. France is a big consumer using large quantities of pitch in the manufacture of fuel briquettes and the majority of shipments from Dominion Tar and Chemical Co. have been going forward to that country. London quotations for the product are now in the region of 90 shillings a ton.

The fact that the company's plants are on deep water have been a vital factor in enabling it to secure this new business. At the Soo, pitch was loaded direct on to ocean-going tramps; in Toronto and Montreal a similar procedure was followed.

Creosoting Business Off

Pitch exports, however, are one of the few bright spots in the company's activities. Curtailment in railway and general industrial construction work has sharply restricted creosoting operations which constitute perhaps the greatest factor in the company's earning power. Demand for new ties has fallen away and processing of timber for bridge work, poles and similar items has also declined.

To Cover Interest Charges

Earnings for 1932 are expected to be lower than those of last year but it is understood that debenture interest will be covered and sinking fund taken care of. There were outstanding at the end of 1931, $5,394,000 of 6 per cent debentures; interest charges last year totalled $326,837. Net earnings were $1,279,761 and after all charges net profits of $358,944 were equal to $6.61 a share on the 6½ per cent preferred stock. Dividends were deferred in June last.

Other divisions of the company show varying degrees of activity.

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Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Enter Inflation

At last Canada has a definite monetary policy, or at least the beginnings of one. Ottawa has attempted a flutter in inflation which may, if successful, be followed by wider measures. Just what it is all about is told by The Financial Post this week on page 1. See also discussion in "The Nation's Business.

As business men ponder the meaning of Ottawa's inflation move, A. F. W. Plumptre, in his series of articles on a Central Bank for Canada, shows the need for stability in our exchange rates and critically discusses the policy of Canadian banks. A good article at any time, but a particularly timely one just now. Page 8.

Steel Maker

Burton J. Hendrick has written a new life of Andrew Carnegie, first of the industrial giants, first of the billionaires, first of the great philanthropists. The Financial Post's review tells Carnegie's views on Canada's destiny. Page 9.

More Money Wasted

Annual report of the Federal Farm Loans Board shows that this new government department is running behind and promises to cost the taxpayers large sums annually in operating losses and depreciation on its mortgages. Page 4.

Beatty's Plan

One of the most interesting proposals placed before the Duff Railway Commission was that of President Beatty of the C. P. R. for a lease of the National lines to the private company. Mr. Beatty's plan is outlined in full. Page 3. The third of the series of articles on the Duff report, on page 13, discusses hotel and steamship duplications.

Market Leader

This week's article on the possible stock market leaders of tomorrow tells something about the shares of Canadian Bank of Commerce. Page 11.

Landlords and Rents Have Tough Sledding But Now Make Stand

Insist Lease Contracts Should be Observed Where Possible

NEW BASIS LOWER

Chain Store and Movie Companies Attempt to Get Reconsideration—Sliding Scale Rentals

Landlords as well as tenants have had tough sledding in the last two years. Not only have tenants of houses and apartments been endeavoring to get reductions in rent but commercial firms, chain stores, manufacturers and others who have leased premises have exerted increasing pressure to bring about reductions in this important item of expense.

A considerable amount of success has been attained in this attack on rents by those whose leases have run out or are nearing their end. There has been increasing pressure also from those whose leases still have a long time to run to have their rents adjusted but landlords have resisted such applications except where distress was involved on the ground that such companies have never been willing to adjust rents upward when the shoe is on the other foot, that is, when prices are advancing and when expenses of landlords are increasing.

Sticking Up For Landlords

Landlords also point out that in the present crisis their expenditures for fuel and for labor show little change and that in the matter of taxes they have actually been increasing.

In Canada respect for contracts has apparently been greater than in the United States. There many organizations, including some well-known chain store companies, find leases, which were made in boom times, so onerous now as to bring profits down to the disappearing point. Finding landlords obdurate in the face of hard-luck appeals a number of companies initiated voluntary bankruptcy proceedings in order to free themselves of what they considered excessive rents. The situation became so bad for the landlord that in Chicago on October 25 the National Association of Real Estate Boards sponsored the first meeting of a new committee on commercial leasing policies to co-operate with the National Association of Building Owners and Managers.

"Sliding" Scales Tried Out

The stated purpose of this committee is to avert present contemplated voluntary bankruptcies of chain stores, to investigate federal bankruptcy laws and procedure in so far as they affect lease or rental obligations, and to make recommendations in regard to such laws and procedure as will properly protect the owners of commercial properties in cases of bankruptcy of chain store tenants. The committee also makes it an objective to secure pertinent data in regard

(Continued on page 2, col. 5)

France, Germany, Poland Seeks Canadian Treaties

From Our Own Correspondent

OTTAWA. — Announcements from Ottawa in regard to pending trade treaties between Canada and France, Germany and Poland are expected to be made shortly after the return of Hon. C. H. Cahan, secretary of state, from Europe.

Mr. Cahan has been at Geneva and has utilized spare time to push forward the trade negotiations with these countries. So far the negotions with France have outstripped the negotiations with the other two, but it is hoped here that all three will be closed simultaneously. Canada will seek most favored nation treatment, looking for substantial widening of her markets for wheat and other primary products. In return Canada is willing to give her intermediate tariff. There is reason to believe, however, that some further concessions are desired by the foreign governments, though whether the Bennett government is prepared to yield them is very doubtful.

Ashley Mine Ships First Gold Brick

Ashley Gold Mining Corporation, Mining Corp.'s subsidiary in the Matachewan area, made its first shipment of gold bullion last week, valued at approximately $20,000.

This new producer started its mill on August 25 and as with all new mills there was a heavy absorption of gold, therefore the initial production is but little indication of what might be expected.

Production is gradually being tuned up to 75 tons daily and it is expected that normal output will be approximately $40,000 per month.

One factor that retarded full capacity being reached sooner is the change over in the method of mining to a modified cut and fill method. Undue dilution was occurring and although hand picking of the ore is employed it was found that small pieces of rock almost defied thorough sorting.

WHEAT MARKETS AWAIT STABILITY EXCHANGE RATES

Difficult to Analyze Trend While Dollar Fluctuates

From Our Own Correspondent

WINNIPEG.—This week's fluctuations in wheat prices have largely represented the market's attempt to adjust itself to the shifting value of the Canadian dollar in foreign exchange.

From a purely theoretical standpoint a drop of two cents in the gold valuation of our dollar should mean something more than one cent additional to the Winnipeg price in Canadian money, while a concurrent advance in the gold value of sterling should also mean a tendency to rising prices. The adjustment, however, is not automatic and exact, as other factors are brought into play.

Monday's rise in Canadian prices, for example, tended to bring out a somewhat increased volume of selling on the part of farmers who had wheat in store and wished to take advantage of the situation. Then, too, sudden changes in exchange rates tend to apply a check to the operations of these merchants, whose primary concern is with wheat and flour, and who wish to burden themselves as little as possible with risks arising out of exchange fluctuations. They find their operations hampered when sudden fluctuations make it difficult or impossible to hedge the exchange risk through the purchase of privileges.

Until the exchange situation has settled a little it will be difficult to be quite clear as to what tendencies are at work in the wheat market, even Chicago prices, which are on the gold basis, do not furnish a clue, for while they fluctuate in sympathy with trends at Winnipeg and Liverpool, they remain above export parity by a margin which itself fluctuates from day to day and they may be affected by influences which are not apparent in other markets.

Prices for Durum wheat have been showing unexpected strength in comparison with bread wheats. There was a real scarcity of this kind of wheat during the last crop year which resulted in very high premiums, but this year's production seemed sufficient for demand. United States prices, however, tend to prevent exporting of Durum, of which that country has a considerable surplus, leaving Italian needs to be supplied mainly to Canada. Higher premiums are distinctly possible if the United States attitude toward selling continues.

N.L. NATHANSON LINES UP FILMS FROM ENGLAND

Arranges for 22 Pictures from British International Pictures

QUOTA DROPPED

Merit Will Now Assure Use of Many British Films — Famous Players Rumors Persist

Events in Canada's movie world are moving fast. Talk still continues about changes which may be in store for Famous Players Canadian Corp. with decentralization from Paramount prominent in gossip. The story from England that British International Pictures was making some deal with N. L. Nathanson, former general manager of Famous Players Canadian Corp. and now head of Regal Films, was denied in the form which it first took, but the formation of Empire Films shows that arrangements are already completed for intensive pushing of British films under Nathanson auspices in Canada.

N. L. Nathanson, by former and recent arrangements, has become a power in the distributing business for films. Through Regal Films he has been handling Metro-Goldwyn-Meyer, Monogram, Gaumont British and Gainsborough pictures and through Empire Films he will have arrangements to distribute British International, Majestic, Mayfair and Associated talking pictures. He will thus arrange for the rental throughout Canada of about 150 pictures, or about 30 per cent of the total pictures shown in Canada through the year.

More British Pictures Shown

The other 70 per cent of films shown in Canada are divided among Paramount Film Service, Vitagraph (which handles Warner Bros. and First National pictures) Universal, Fox, Radio, Keith Orpheum, Tiffany, Columbia and United Artists Corp.

Famous Players Canadian Corp., which controls the largest chain of moving picture theatres in Canada, has first call on Paramount pictures but also has contracts with Fox, First National and Warner Bros. as well as all the others at times when it sees a picture it desires. It will also show some British pictures.

Through three sources, Empire Films, Regal Films and United Artists, Canada will probably see more British pictures than ever before this winter. "The Maid of the Mountains," soon to be shown, especially has won plaudits in previews. Cinema, British motion picture magazine, states that N. L. Nathanson, in his recent visit to England, contracted with British International Pictures to play 22 pictures during the next year and that Empire Films was being formed for the purpose. That is now confirmed by events.

Organization Proceeding

Empire Films has already selected Alfred W. Perry, a veteran of 15 years in the film exchange business, as Ontario branch manager with offices at Toronto.

B. F. Lyon, general manager, after a trip through Quebec and the Maritime Provinces, installed Sam Jacobs as manager of the Montreal branch. E. A. Whelpley, formerly of Toronto, has taken over the Maritime branch office at Saint John, N.B. Mr. Lyon will soon establish offices at Winnipeg, Calgary and Vancouver. James I. Foy has been appointed Toronto district sales manager and will also be in charge of the Toronto office staff.

Mr. Perry started in the film business with the old Mutual Film Co. under James Travis, after which he joined the Exhibitors Distributing Corp., the general

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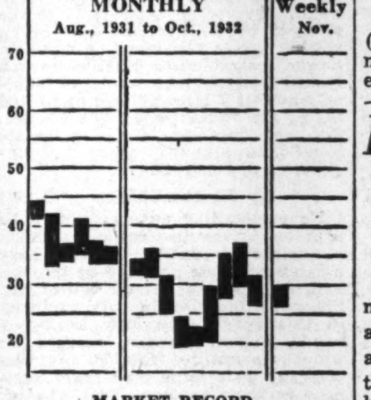
Stock Market

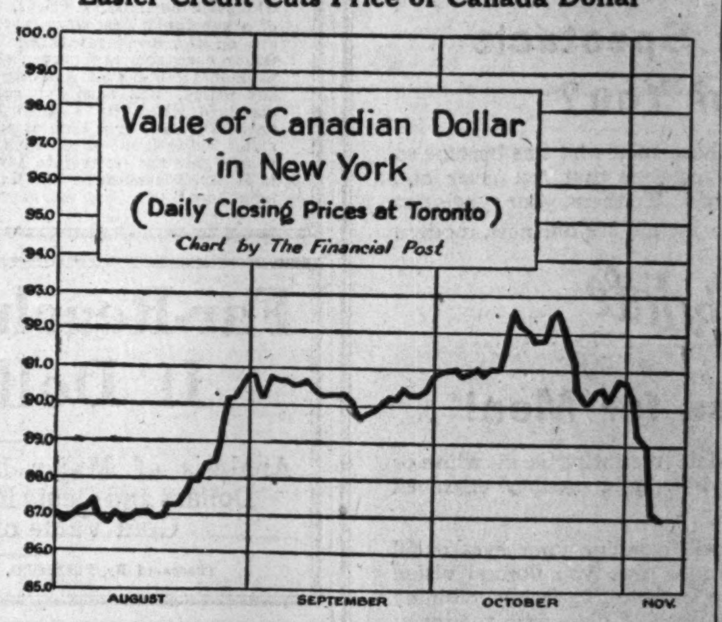
20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Nov. 8	30.0	26.6
Week of Nov. 1	29.5	27.6
Month of Nov., 1931	41.6	34.9
8 Bank Stocks		
Week of Nov. 1	171	164
Week of Nov. 1	176	173
Month of Nov., 1931	216	216
10 Public Utilities		
Week of Nov. 8	47	44
Week of Nov. 1	47	45
Month of Nov., 1931	63	57

Easier Credit Cuts Price of Canada Dollar



Price of Canadian dollars in terms of United States currency fell sharply last week when rumors of a new easy money policy on the part of the federal government became current. As may be seen from the above chart the discount on the Canadian dollar dropped steadily between August 15 and October 15 but this has been now wiped out with latest quotations (Wednesday, November 9) showing a discount of about 14½ per cent.

New Monetary Policy Designed to Ease Canada Bank Credit

Government Provides For 12 Per Cent Expansion of Credit By Rediscounting Treasury Bills Under Finance Act Provisions

FOLLOWS BRITISH, U. S. A. PRECEDENT

But Banks Must Use New Currency Before Actual Inflation Takes Place—New Federal Policy Seen as Result of W. C. Clark's Appointment as Deputy Finance Minister

Revelation that the federal government last week subjected the Canadian monetary system to a mild dose of inflation by requesting Canadian bankers to rediscount $35,000,000 of four per cent treasury bills, is the most important financial news Canada has heard since Great Britain went off the gold standard in September, 1931.

Fundamental importance of the move is that it forecasts for the first time a definite government policy for the Canadian dollar, in place of the laissez faire attitude of the past year. It may also presage a definite plan to keep the dollar nearer pound sterling rather than let it drift up towards the level of U. S. gold dollars, but as yet lack of official information makes any such prediction for the future unwise. It is not impossible that the government itself is as yet experimenting and that no final plan has been evolved, other than the general policy announced by Prime Minister Bennett in the House of Commons this week, that "easing of money and credit is highly desirable in the interests of business recovery."

How Loan Was Made

Just exactly what happened to cause the rumors of government "inflation" is still something of a mystery to the average man in the street. An attempt at a simple explanation is therefore important to an understanding of the situation. Here is the transaction step by step.

1. The government sought a 2-year loan from Canadian banks of $35,000,000 at 4 per cent. The security offered was government treasury bills, the customary collateral in a transaction of this type. The loan was made and differs very little if at all from similar transactions of its kind made from time to time by the government to afford temporary accommodation during the fiscal year. It was allotted to all banks, pro rata on the basis of assets.

2. Having secured this loan, the government immediately asked the banks that they should rediscount (under the provisions of the Finance Act) their treasury bill collateral with the Treasury Board at Ottawa and receive Dominion notes to the full extent of the loan, namely, $35,000,000. For this they were charged 3 per cent (the usual rate).

3. The net result of the transaction is (a) that the government has $35,000,000 to its credit for two years; (b) that the banks have in their tills an additional $35,000,000 of Dominion notes which at any time can be turned into bank notes on a dollar for dollar basis, at any time can be used as the basis for an increase in credit if the need arises. This ability to exchange Dominion notes for bank notes is a statutory privilege available at all times.

Two Year Inflation

Thus for a period of two years (the life of the loan) the government has opened the way for an expansion of the gold-currency basis of bank credit in this country. In so far as banks take advantage of this new source of credit and use it, there would be inflation as compared with the previous basis on which Canada's monetary structure rested.

If they were to use the entire sum, inflation of approximately 12.2 per cent would take place since that is the ratio which $35,000,000 bears to the total amount of Dominion and chartered bank notes outstanding as at September 30, the last date for which data is available. On the other hand, since banks only make advances to their customers as the demand for accommodation necessitates, and since business demands at the present time are at a low ebb with adequate credit available for all comers, the additional $35,000,000 of Dominion notes now held by the banks may not be used at all or at most may only be used in small measure. Even if public demand for credit does not necessitate use of this additional credit, it is probable that this money will be used by the banks in the purchase of new securities.

New Monetary Plan

This, then, is the "mechanical" explanation of a move which became effective during the middle of last week and which had a violent effect on Canadian foreign exchange rates and wheat and bond prices even prior to the official statement by Mr. Bennett on Tuesday, Nov. 8. The loan itself was apparently made by the banks on November 1 and all banks were asked that their allotment should be immediately re-discounted at par under the provisions of the Federal Finance Act, which permits the Minister of Finance through his Treasury Board, to issue Dominion notes to banks under pledge of government or Canadian

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International Power Position is Improved

From Our Own Correspondent

MONTREAL.—Earnings of International Power Co. compare favorably with those of last year, in fact, at the present time it is understood the company's position is slightly better than it was at this time last year. Improvement has been largely due to reduced operating expenses.

Expansion carried out in the past few years is finding reflection in operations; new hydro plants built by controlled companies have increased production and tended to lower costs while a widespread scope of activity should find further reflection in earnings when business conditions improve.

Porto Rico Power Co., chief subsidiary of International Power, is making good progress in rehabilitating its system, recently damaged by a hurricane. Reports state that this company's operations are nearly back to normal; an important factor in viewing the situation surrounding the parent organization.

In 1931 International Power earned its full preferred dividend requirements though disbursements were deferred in October, 1931. Omission of dividends was due to a desire to conserve liquid position since the condition of money markets has not permitted funding of bank loans which totalled $4,305,251 at the end of last year.

OTTAWA MOVE ON GRAIN RATE HITS INVESTORS

Feared Changes Will Hurt Handlers Without Aiding Farmers

BUYER GETS SAVING

Volume, Not Price, of Grain Affects Elevator Earnings —Will Hamper Hedging Operations for Time

Shareholders and bondholders of such companies as Federal Grain Co., Western Grain Co., Alberta Pacific Grain Co. and the Bawlf Companies are greatly concerned over the action of the Dominion Government in securing the third reading in the House of Commons of a bill to reduce handling charges on wheat and other grains at Canadian elevators from 1/30 to 1/45 of a cent per bushel daily. The fact that grain prices are very low, it is stated, has nothing whatever to do with the situation. It costs terminal elevator companies not a whit less in wages, power and other expenses to handle wheat when it is worth $2 a bushel than when it is worth 30 or 40 cents a bushel, and the rates have not changed at all from rates charged prior to the war. They did not go up when wheat sold at a very high figure and they have not come down when grain is selling lower.

It is stated by elevator men of long experience that the rates cannot be lowered without great danger to the financial interests involved and eventually to the ability of such enterprises to get money. In recent years of short crops elevator companies have in most cases been only able to get by. This year with a good crop it is possible that well-managed and exceptionally placed companies may get along at lower rates but there is no feeling of confidence that the government will raise rates when a poor crop comes along and companies face possible bankruptcy as a result. When the pool was popular in the West one of the claims made was that terminal elevator rates were too high and that a considerable cut would be made. When the wheat pool eventually had its own terminal elevators and had actual experience with the cost of handling grain no more was heard about rates being too high.

Will Not Help Farmer

Elevator men sympathize with the plight of the western farmer and would welcome as much as he higher prices but they are sure that any difference in rates will not benefit the farmer, but in a buyer's market will be used by the overseas buyer to squeeze an additional advantage in price for himself. Thus the farmer will get no more, it is argued, the elevator companies will get less, and Canada will not benefit at all. The move they are inclined to think, is political rather than economical; that is, it will not benefit the farmer but if the farmer thinks it will so much may be gained politically.

The ability to change rates in mid-season is also a matter of concern both to elevator men and to large purchasers of grain. It may stop purchases until the latter see what is going to happen. It will change the spreads between cash and future prices and may make considerable difference in prices for large buyers to whom seemingly fractional advantages of this kind are important. Hitherto the Board of Grain Commissioners has considered changes in rates annually in order to be fair to everyone concerned. The annual consideration has led to no changes being made after every side had been heard.

Farmers' Plight Takes Precedence

The amendment of the Canada Grain Act, which is being put through parliament at Ottawa, authorizes the Board of Grain Commissioners to alter during the grain season tariff charges made by licensed elevators for storing grain. Such charges have previously been under the jurisdiction of the board,

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PROVINCES JOIN DOMINION SEEKING INSURANCE PACT

Taschereau and Price Offer Joint Plan to Senator Meighen

At a meeting of Premier L. A. Taschereau, of Quebec, Hon. W. H. Price, attorney-general of Ontario, and Rt. Hon. Arthur Meighen, representing the Dominion Government, held at Toronto, Nov. 7, progress was made toward the solution of the long standing differences of the three legislative bodies toward the vexed question of insurance jurisdiction, according to Hon. W. H. Price.

After the meeting, neither Mr. Taschereau nor Senator Meighen made statements, but Col. Price said that Ontario and Quebec had come to an agreement on many matters of insurance legislation and that Mr. Meighen would bring the joint wishes of the two provinces to the attention of Rt. Hon. R. B. Bennett.

Suits in Court

Previous to this meeting of the three interested governments the Quebec and Ontario governments had held conferences. The need for these consultations arose from the frequent overlappings of the jurisdiction of the provinces and the Dominion and disputes resulting in court including cases taken to the judicial committee of the Privy Council for settlement.

"We found a disposition on all sides to reach a settlement that will make it unnecessary to be continually going to the Privy Council to settle outstanding questions in respect of insurance," Colonel Price said.

"The British North America Act sets out powers of Dominion and Provincial Governments. This power is defined by the Privy Council, and when the Privy Council decides the meaning of certain phrases in the B.N.A. Act it thereby either extends or restricts the powers which previously had been considered of Federal or Provincial jurisdiction. As a result, the Constitution grows, in that, through the functioning of courts, a body of law is built up in addition to the strict wording of the act.

Agreement Necessary

"When, therefore, representatives of the Dominion and the Provinces sit down together, they cannot agree to anything which is contrary to the expressed decision of the Privy Council; if they did, the agreements would be of no avail, for any citizen could upset that agreement. But if we come to some agreement and complementary legislation to give effect to our agreed feelings is put through, then our mutual conference will not have been in vain."

At the conference, in addition to Mr. Taschereau, Col. Price and Senator Meighen, were C. L. Lanctot, Assistant Attorney General; D. Arthur Dugal, Superintendent of Insurance, representing Quebec; Edward Bayly, K.C., Deputy Attorney-General of Ontario and R. Leighton Foster, Superintendent of Insurance for Ontario.

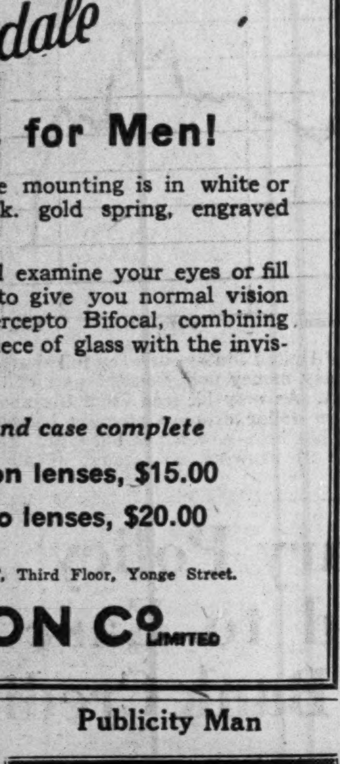
Dominion Motors Takes No Action On Nov. Dividend

No action has been taken by Dominion Motors Ltd. on the semi-annual dividend usually payable November 1 and amounting to 20 cents per share on the 284,989 $10 par value shares outstanding. Dividends have been paid regularly since 1928, although the company operated at a loss in 1931 as was the case with its predecessor in 1930. The balance sheet at December 31, 1931, however, showed a reserve for dividends amounting to $227,966 which was set up out of surplus in that year. After provision for the dividend paid May 1, 1932, this reserve would still amount to some $170,977.

That the current year has been a poor one for the motor industry is generally conceded and Dominion Motors Ltd. has been adversely affected by the general trend. The company has made some important connections, however. Passing of the dividend is apparently an attempt to conserve liquid resources which were not particularly strong at the end of the fiscal year although current assets totalled $2,651,050 against current liabilities of $598,184. Included in current assets was $1,004,280 in cash and call loans but of this amount $819,635 was in a special savings account as partial security for a loan of $1,250,000 made by the Imperial Bank to Leaside Investments Ltd. and which constituted a contingent liability on Dominion Motors Ltd.

Stock of the company recently sold off to 1½ the low point of the year on small volume. High for the year is $5 per share.

Publicity Man



W. M. GLADISH

Whose appointment as advertising manager of Empire Films, Ltd., Toronto, is announced, was with the Ottawa Journal for 12 years and, before the war, was the first motion picture editor of the old Toronto News. Empire Films is a new distributing company releasing 70 features through six branches across Canada.

OTTAWA MOVE ON GRAIN RATE HITS INVESTORS

(Continued from page 1)

but the act required them to come under review only annually. These charges remained at pre-war figures during the period of high grain prices, and were never increased, but it has been realized that present conditions would result in demands for lower charges, and there has been consideration as to how and to what extent it would be possible to meet such demands. The general feeling has been that the problem will have to be faced before another crop year if no increase in grain prices should take place, regardless of the effect on the revenues of elevator companies.

That a reduction of charges will add materially to the difficulties already imposed on elevator companies through multitudinous regulations and low grain prices, which tend to impose a narrow margin in buying and selling transactions, may be taken for granted, but it is difficult to estimate in advance the exact effect.

TRADE COMMISSIONER ON TOUR

C. M. Croft, Canadian Trade Commissioner in Auckland, is at present on a tour in the interests of Canadian trade in New Zealand. He will be at Toronto on Nov. 10; at Ottawa, Nov. 11 to 14; at Winnipeg, Nov. 16; at Regina, Nov. 17; at Calgary, Nov. 19; and at Vancouver, Nov. 21 to Dec. 6. Firms desiring to get in touch with Mr. Croft should communicate with the Canadian Manufacturers' Association for Toronto, Winnipeg and Vancouver, and with Boards of Trade in other centres.

Canada's New Money Policy Justified by Geneva League

Justification for the new monetary policy adopted by the Bennett government is found in the concluding paragraph of the League of Nations Report on the Courses and Phases of the World Economic Depression, issued in October, 1931.

The advantages of such action as has now been taken by Canada are set forth herein with the warning that such action is subject to "ultimate and strict limitations." The quotation is as follows:

> "The special importance of the events of September (1931) when a number of countries left the gold standard lies in the fact that they open up possibilities for action on the part of individual nations which may serve to mitigate the depression. So long as the currencies of all the leading countries are linked to gold these countries all march more or less in step. A rise in wholesale commodity prices, which is the necessary concomitant of a substantial recovery, must in such circumstances be dependent on the measures taken in the financially stronger nations. Other countries are prevented by the state of their balances of payments and of their banking reserves from pursuing an independent policy. But once any country has abandoned the monetary standard which links it to the majority of the community of nations it can for a time at any rate—and subject to ultimate and strict limitations—enter upon a credit policy which may do much to mitigate the immediate severity of the depression in so far as it is itself concerned and in so doing act independently of its neighbors."

Far-Reaching Effects If Dollar Declines

Analysis of Major Investment Groups Shows Dollars and Cents Results of Any Change in Gold Value of Canadian Dollar

(Prepared By PITFIELD, MATHEWSON & CO., Montreal)

In order to estimate the effect of a depreciated Canadian dollar on Canadian currency, the following information has been compiled covering the major groups which would be affected by any definite government policy in this regard.

Canadian and other investors in domestic securities in any of the groups analyzed below, will accordingly be able to estimate the effect in each case of any further depreciation in the Canadian dollar as a result of changed government policy.

Agriculture

The broadest advantage of a depreciated currency in Canada would accrue to industry through the enhanced buying power of the Canadian farmer. A 450,000,000 bushel wheat crop at 45c. a bushel, today is worth $202,500,000; if our funds were at par with the United States, it would be worth only $183,295,000, while if our dollar were quoted at par with sterling, the crop would be valued at $274,942,500, a maximum spread of over $90,000,000, to the benefit of the Canadian farmer which would provide additional purchasing power. Similar striking comparisons can be drawn for a host of other agricultural products, and it is not hard to visualize the stimulating effect such added income would have on general business throughout the country.

Public Utilities

Annual interest on the funded debt of Canadian public utilities payable in New York funds amounts to nearly $30,000,000, or over 53 per cent of the total interest payments by all publicly owned corporation securities payable in New York funds. A 25 per cent premium would not only cost this group $7,500,000, but several companies with sterling pay securities would lose the compensating advantage of the discount on the pound sterling. Interest requirements on sterling pay securities amount to $1,710,000 at par; at the current quotation of the pound it costs these companies only $1,280,000. B. C. Power subsidiaries account for over 75 per cent of this group. Public utilities, particularly power and light companies selling large amounts of power to industry, would receive some compensation for their exchange loss through the stimulation of business, which would be caused by lower exchange quotations. Companies such as Shawinigan Water & Power with important subsidiaries manufacturing for export would probably gain sufficiently by the premium on the gross shipments, to offset the additional premium on New York interest payment on their bonds. Telephone, tramways and gas and light companies selling to the small consumer have not experienced as heavy a loss in revenue as the "industrial load" utilities, consequently, any improvement in business will not be reflected proportionately in their revenue, and the burden of gold payments on their fixed debt becomes more onerous as the value of our dollar depreciates.

Newsprint

Based on the gross exports of newsprint in the fiscal year ended March 31, 1932, and taking a price basis of $40 a ton, this industry would receive $20,000,000 additional Canadian dollars in revenue, with New York funds at 25 per cent premium, than at par. If the Canadian dollar were at par with sterling, this amount would be increased to $40,000,000.

If all the pulp and paper companies in Canada, with bond interest payable in New York funds, were paying their full bond interest, the total payments due, including a premium payable of 25 per cent, would amount to less than $17,000,000, while if the Canadian dollar was at a par with sterling, they would pay $21,000,000. Thus inflation would tend to lift this great industry out of its present plight and place it on a paying basis.

Iron and Steel

Stimulation of general business soon finds reflection in this major basic industry. Therefore, anything that would get the wheels of this industry turning would be of great benefit to all. The scope for improvement is seen by comparing pig iron production in August, 1929, of 112,528 tons with the 5,992 tons produced in August, 1932. Bond interest payments due in New York funds by this group, totals only $2,526,000 per annum. Under this general heading is included manufacturers of agricultural implements who would not only benefit from better internal and export business, but also by the improvement of collections on farmers' debts, which are at present seriously tying up working capital.

The iron and steel companies that purchase their coal and iron ore from the United States would, however, have to pay higher prices in Canadian dollars for their raw materials and there would be a natural upward price adjustment on finished products.

Milling and Grain Companies

A depreciated dollar would immediately place flour mills in a position to compete profitably in the export markets, thus substantially increasing the volume of business, while in addition a profit would be realizable from forward positions in grain and the rising value of inventories.

During the past year Canadian millers are understood to have lost a substantial portion of their export business to millers in countries which have exchange advantages.

The grain handling organizations on the other hand will not reap any advantage in the long run from inflation, though a temporary stimulus to the movement of wheat will increase immediate earnings. The publicly financed companies in this group have some $768,497.50 of bond interest due annually in New York funds, and the premium payable on this account would be a direct loss, with no compensation.

Mining

Canada's production of metals goes primarily into the world's markets and the value of Canadian funds very directly affects the earnings of this industry. Based on 1931 production of the principal metals, the following table shows the increase in income accruable to this industry at various rates of exchange:

	With Candn. funds at 20% disct. from gold	With Candn. funds ta par with sterling
Gold	$14,000,000	$28,000,000
Copper	5,880,000	11,760,000
Lead	3,125,000	6,200,000
Nickel	3,750,000	7,500,000
Zinc	1,500,000	3,000,000
All metals	29,500,000	59,000,000

These figures are only an approximation and are of course based on 1931 prices which in the main were slightly higher than those current. But the magnitude of the increases is astonishing and the stimulus to new production can readily be seen. For example, a gold mine has a large block of $4 ore, but their mining and milling costs are $5, so this ore body cannot be economically mined. If we placed our dollar on a par with sterling, this ore would have a $6 value and could be profitably mined. Similarly with other metals there would be a distinct stimulus to increased production, consequently more employment, and more purchases of goods from other industrials, etc. As the mines have no fixed charges due abroad, all the benefits of exchange would be directly reflected in earnings.

Textiles

This group would be favorably affected by a depreciated currency, not only from the normal increase in business due to better conditions, but as our currency approaches par with sterling, competition from English manufacturers is lessened, while the exchange differential automatically heightens the tariff wall against United States competition. Raw material costs would admittedly rise, but this is not the most important factor in the total cost of finished goods. This industry is not heavily burdened with New York pay securities, interest requirements on this account amounting to only $620,000 for the whole group.

Construction and Affiliated Lines

Any improvement in business that will bring about expansion will naturally be reflected in increased construction, but even at best this industry as a whole will tend to lag behind business in general. Certain lines, however, such as cement, wall board, paints and varnishes should be enabled to increase their export trade, the degree of which, however, will depend on the particular company. In this group Canada Cement, Gypsum Lime and Alabastine, Brandram-Henderson and Dominion Glass are the only companies with New York pay securities outstanding, and of the total of $1,336,587 of annual interest payable, Canada Cement accounts for nearly 80 per cent.

Transportation

Disregarding Canadian National Railway obligations which must necessarily be classed as Government securities, the transportation group have $9,766,410 of annual interest due in New York funds and $15,529,238 due in sterling, the latter figure being made up entirely of Canadian Pacific Railway issues, including their 4 per cent preference stock. Today with New York funds at a 10 per cent premium and sterling at a 25 per cent discount this group have a credit on exchange account of $2,900,000, while if our funds were at a par with sterling there would be a debit of $4,888,000. This differential of $7,788,000 is very small, however, in comparison to the earning possibilities of the group under better business conditions. Lower freight rates relative to the United States roads would undoubtedly attract a large volume of United States export traffic through Canada, and not only would the railroads benefit, but also their steamship subsidiaries and affiliates.

Merchandising

No outstanding advantages can be expected by the merchandising group, but improved conditions should have a salutary effect not only on the volume of business but on collections. Simpsons Ltd. is the only company in this group with New York pay bonds, annual interest charges on which amount to $642,760. As this company do a large mail order business in the Canadian West, the increased farmer buying power should readily compensate for exchange losses.

The meat packing and canning industries have been given distinct preferences in Empire markets, but so long as our currency is out of line with the rest of the Empire, this group will be unable to take full advantage of the trade possibilities. Similarly, the dairy companies could expand their markets for butter, cheese, condensed milk, etc. Sugar refineries on the other hand would not be affected one way or the other. This industry has some $309,562.35 in interest to pay in New York, but the added tariff protection derived from a depreciated exchange should finally exclude Cuban refined sugar, which, although not a volume factor, does at times adversely disturb the price level.

Real Estate

This group, which is made up principally of hotels and large office and apartment buildings, have been suffering from heavy interest charges on their funded debt which was based on much higher building costs. The drop in tourist traffic has affected hotel occupancy, while the pressure to reduce rents has seriously curtailed other real estate income. A depreciated Canadian currency would tend to attract tourists and improve the rental situation. This group have annual interest charges payable in New York of about $1,722,000.

Oil Refining

Other than the stimulus to consumption of gasoline and oil, this industry would receive the added advantage of a virtual shut-out of the distress gasoline which has been offered in our markets and which has seriously disturbed the price of gasoline and the profits thereon. Against this advantage must be balanced some $628,497 of annual interest charges payable in New York funds.

Automobiles and Rubber

There is little public financial interest in automobile manufacturers in Canada, as the plants are for the most part branches of United States firms, but this industry has in the past been one of the largest Canadian exporters, and many manufacturers of automobile parts, rubber tires, paints and varnish, and chemicals are dependent on it for their prosperity. Bankers in Canada inform us that whereas in past years they have had scores of large credits established for the export of automobiles, today these credits are in small volume. On the other hand we understand English bankers' report a growing volume of automobile export credits. Official reports of automobile production in Canada show that whereas the production from October, 1931, to August 31, 1932, for domestic use, was off from 70,987 to 47,695, or 32 per cent from a year ago, production for export was off from 18,612 to 8,632 or 53.7 per cent. This would indicate that the advantage the British manufacturer has in exchange is permitting him to take away one of our important export markets. A further discount on our exchange in relation to gold should permit our regaining our position in the export market, and any stimulus to automobile production would in turn benefit a long list of Canadian manufacturers.

THE NATION'S BUSINESS

(Continued from page 1)

widely differing alternatives. Undoubtedly it sees the benefit of the new Empire pacts slipping away if the Canadian dollar returns to a parity with U. S. currency while sterling remains at a 30 per cent discount. The frank admission of British delegates last week before the World Economic Conference that Great Britain would not return to the gold standard until prohibitive tariffs of other countries are revised, may have been an added factor in the Canadian decision. It doubtless sees also the difficulty of restoring world economic equilibrium unless commodity prices are raised, and the impetus which easy money policies in countries such as the United States and England has had in at least checking the downward course of world prices.

Confidence in the Canadian dollar is a primary requisite of this country and to this end it is essential that details of Canada's new policy be made available with all despatch so that the alarm which became evident in exchange and bond markets last week, be allayed and a clear-cut statement of the goal which the government has in view be made.

The government is doing only what Britain and the United States have already done but its action is capable of misinterpretation and it is this misinterpretation that the government will want to avoid. It has made an interesting and important experiment toward using credit in Canada. It would be exceedingly helpful to business if the government would disclose its ultimate goal in respect of the Canadian dollar and sterling.

NATHANSON LINES UP FILMS FROM ENGLAND

(Continued from page 1)

manager of which was Arthur Cohen, now managing director of Famous Players Canadian Corp. Mr. Perry then spent some years with Regal Films, Ltd., and United Artists Corp. and has been with the Warner Bros. office in Toronto for some months, resigning from that organization to join Empire Films Limited.

Quota Dropped

Report has it that N. L. Nathanson has also been considering reorganization of independent groups of theatres under one management but that distribution problems had been given first place. The large number of British pictures imported, it is said, have definitely disposed of the campaign for a quota to assure British pictures being shown in Canada. Merit of new pictures is undoubted, according to reports, and with British producers having caught the knack of catching the public fancy a number of such pictures can be expected.

LANDLORDS AND RENTS HAVE TOUGH SLEDDING BUT NOW MAKE STAND

(Continued from page 1)

to chain store organizations contemplating voluntary bankruptcy to guide the owners of commercial properties, occupied by such a chain in shaping their own action. Local committees with the help of data gathered by the National committee, and additional information secured locally, will work definitely upon acute phases of the problem locally. It is stated that city-wide action in various localities to meet lease-adjustment operations of individual chains have already been found effective.

Both in Canada and the United States, many landlords have shown willingness to meet real cases of distress. When details of a financial situation have been fully and frankly placed before them, they have quite often been willing to adjust rentals in order to allow a tenant to carry on. In some cases, landlords have arranged a sliding scale by which they would get a definite percentage of total turnover. If business comes back to what it was a few years ago, landlords would again, with such a scale, be in full receipt of their rentals. In many cases leases embodying sliding arrangements of the kind have taken the place of the old leases and introduced a new element into the situation. Landlords have, however, insisted on minimum clauses which take into consideration certain inescapable costs on every building, including financing and tax costs. Such landlords have been willing to consider present conditions affecting the earning power of the individual retail business unit, including not only gross sales, overhead, and in the case of chains, the structure of parent and subsidiary corporations back of the individual unit, but in the case of holding companies they are anxious to provide against any "mark-up" policy being operated by which the manufacturing or wholesale corporations can absorb or conceal profit.

Piecemeal Bankruptcy Fought

In Canada the chain store situation is much sounder than in the United States. Leases never went up to the high point that they did in the United States and therefore there has been less ground to be travelled backward. Leases in most instances also were signed at the head offices of the various companies and this was true when head offices were in the United States as well as when they were in Canada. The policy of piecemeal bankruptcy, such as is followed by some chains in the United States has, therefore, been difficult to put into effect in Canada.

The requests for consideration by owners of many moving picture theatre companies, which have had large declines in attendance, have been given earnest attention. In these cases as well rents were on a much higher scale in the United States than in Canada. Yet it is realized that if the tenant of a moving picture theatre goes out of business, it will be difficult for the landlord to rent the building for any other purpose. Values of these places are determined rather by total turnover than by net profits of the company. It is the activity of business which renders a certain stand attractive or the reverse.

If Cases Were Reversed

One Montreal company recently asked for a revision of its lease downward basing the demand on the fact that the market value of the lease was lower than when it had been entered into. The leasing agent replied, "That is quite true. If your lease had run out, and you were asking for reconsideration on the basis of present market values, you would get your lease on a lower basis. However, your company is a powerful company. It is able to pay on the basis it contracted to pay. Landlord expenses are no lower than they were. They are higher because of the higher taxes. They have more difficulty in making collections from some tenants. I could not possibly advise them to lower your rent. Your company is better able to pay this rental than the landlord is to lose the revenue. He has to pay on bonds and he has to pay these taxes and he cannot get anything less on those. The reasons we were willing to give you such a long lease in the first place at the rental which then seemed moderate, was because we regarded you as a company which would pay its debts and its obligations on the nail. If contracts are not to be lived up to, all business might as well shut down. On the other hand, supposing conditions change, supposing business gets very active and there is a great demand for office space, rentals would go up in consequence for those who had not long leases. The landlord could not then raise your rent until the lease was up. If he came asking you to pay more you would think it was a terrible thing. So it would be. You wouldn't do it. Neither can we, when the shoe is on the other foot."

Rents Have Dropped Far

Renting agents claim that rents have now come down for all except those who are bound by contract, in full conformity with the drop in the cost of living. The Dominion Bureau of Statistics, with 1926 prices representing 100, shows an average of prices of 97 building materials down to 79.9 in September, 1931, and 76.5 in September, 1932. This index would rise, it is believed, if building operations began to get more active again.

The rent index for residences on the same basis was 105.3 in 1930 and 90.0 in September, 1932. Prewar rates on this basis would show 64.1 in 1913. This would seem to indicate that rentals are not dropping as quickly as building materials or as the cost of living generally but this is said to be accounted for by the number who are still paying rents on the basis of leases made prior to 1930. The index also does not include commercial rentals. The claim that drop in rentals is in line with the drop in the cost of living refers to new leases and also to the fact that some cases of distress have been recognized in spite of existing leases by dropping rates where it was felt that tenants were desirable and that they had a chance to pull through with such help.

New Money Cautious

Some landlords believe that rentals on the lower basis are likely to be of long standing in view of the fact that the building industry is giving concentrated attention to problems connected with reducing costs of erecting new buildings. Lower rentals, however, make bond interest payments especially difficult in the case of big office buildings erected under boom conditions by means of widespread sales of building bonds. Many bond issues have had to default already and new money for building will be cautious until rentals are stable.

Upholding Contracts

The question of upholding the sanctity of contracts is a tremendously important one. Not only rentals and the value of property but real estate mortgages and bond issues depend for their value on contracts being carried out to the letter. The investments of trust and loan companies and of insurance companies depend upon this to a tremendous degree and through them the investments of widows, orphans and older men who have tried to lay up a nest egg in this way. Faith in the real estate mortgage, past, present, and to come, is the rock on which an important part of the savings of the people of Canada is built. Governments have recognized this principle by making real estate mortgages one of the outlets for investment funds permitted to trust and loan companies and to insurance companies. It is recognized that adequate funds for loans on real estate mortgages have been in the public interest and must be encouraged. But back of and giving value to mortgages have been rental values. These are fixed in bargaining between landlords and tenants through their agents or directly and leases set forth the results of those bargains. Landlords and their agents at the moment are making a more determined stand than for two years.

DOMINION TAR PITCH EXPORTS AID POSITION

(Continued from page 1)

Alexander Murray & Co., engaged in marketing building materials has naturally felt the drop in construction figures. Fibre Conduits, Canada, manufacturing what its name implies, has been able to maintain its position fairly well and the company's venture into the field of phenol manufacture is proving satisfactory. This chemical plant in Toronto was brought in production early this year. It is able to dispose of its entire output of phenol though there is room for improvement in demand for other of its products.

It is in creosoting that a betterment would be most welcomed by the company and increased demand for creosoted products must await a stronger trend in corporate expenditures.

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Beatty Hoped to Cut $75,000,000 Per Year From Railway Costs

Study of His Proposals to Duff Railway Commission Indicates C. P. R. Chieftain Convinced That Only Large-Scale Measures Could Effect Large-Scale Economies

NO SOLUTION POSSIBLE UNDER POLITICIANS

Lease of Canadian National Railways to Canadian Pacific Railway Would Eliminate Constant Political Pressure Upon Railway Managers Working for Government

Giving evidence before the Duff Transportation Commission last February, E. W. Beatty declared that unification of Canada's two great railway systems, under private management, presented the only real solution of the railway problem.

"Under existing conditions in Canada," said Mr. Beatty, "the only solution which will stand the test of the country's necessities is a consolidation through a lease on a profit-sharing basis, of the government railways to the Canadian Pacific railway."

Recommendations Important

Mr. Beatty was examined and cross-examined on his policy by the Commissioners and, despite the fact that the Commission's report does not include his recommendations, the evidence that he gave, the policy outlined by him, the probable effects upon railway administration are of importance in any impartial survey of the existing situation.

For just as the Duff Commissioners decided against the Beatty recommendations, so, apparently, has Parliament decided against the Duff recommendations. The railway problem is to be gone over, by parliament, a new and public opinion will be the dominating influence in dictating the legislation that will be adopted.

In his evidence, Mr. Beatty not only advanced his own solution, but discussed, as an expert, the efficacy of a policy of co-operation between the two railways.

Cost Canada $100,000,000

In order to pass upon the suggested policies it is necessary first to be seized of the problem. Apart altogether from the Canadian Pacific, whose earnings have been seriously injured by the depression, the National Railways will do well, this year, to show net earnings of $15,000,000. After meeting inescapable items, not included in ordinary railway expenditures, the system will scarcely show more than $5,000,000 available for fixed charges. These charges run to $57,000,000 owing the public, more than $30,000,000 owing the government, plus a reasonable interest rate on investment in the Intercolonial and other state constructed lines. In addition there will be unavoidable capital outlays.

By and large, the National will cost the taxpayers over $100,000,000 this year and that is more money than Parliament can put up without further straining the credit of the country or taxing the business community out of existence.

Two Solutions Offered

What is required, therefore, is a policy which will enable the treasury to escape these enormous annual demands. The evidence submitted to the Commission shows that two solutions, broadly speaking, were offered. The first was co-operation between the two roads, each retaining its identity; the second the unification of the two roads.

Mr. Beatty, examining the co-operation solution carefully placed its maximum economies at $6,348,000 and this only possible some five years hence. Obviously such a saving would be inconsequential in comparison with the magnitude of the need.

Enormous Savings Seen

Mr. Beatty turned to unification as the only solution because he believed the economies thus made possible would ultimately run to $70,000,000, would amount to $64,000,000 per annum, after the end of five years.

Just what unification would involve was made abundantly clear in his evidence. He dealt with the curtailment of service which would ensue, the danger of monopoly operation, every phase of the problem.

Not Amalgamation Plan

To begin with, the Beatty plan does not call for amalgamation. He was very clear on that point. He did not suggest that the ownership of the National railways should be vested in the Canadian Pacific. He did suggest that National lines should be leased to the C. P. R. for a long period of time, the longer the better, and that net profits derived from the unified system should be divided between the government and the C. P. R. under some formula to be agreed upon. He regarded as sound the suggestion that the government, in an indirect way, should nominate some of the directors of the C. P. R., thus gaining representation upon its board. The nomination would not be direct, but through some tribunal which would ensure first class appointments.

Abandon 5,000 Miles

Under the Beatty unification plan the following changes would take place in the operation of Canadian railways:

Five thousand miles of track would be abandoned, the rails torn up. The country would be left with two transcontinental lines instead of three, and the main line of railway, while chiefly the present C. P. R. road, would include sections of the National railways.

Starting at the Pacific coast, the National line from Vancouver to Hope would be abandoned. The Canadian Pacific line from Hope to Kamloops would be abandoned. East of Winnipeg, the National Transcontinental from Winnipeg to Nakina would be abandoned, and the old Canadian Northern line from Long Lac to Ottawa would go.

Only Two Lines in East

This would leave only two lines from Winnipeg east. There would be the C. P. R. main line, and another line running from Winnipeg south-east along the boundary line and finally up to Fort William. From Fort William this second line would follow the old Canadian Northern to Long Lac, up the Long Lac cut-off to Nakina and thence eastward over the balance of the Transcontinental to Quebec.

There would be other abandonments in Ontario. The C. P. R. would abandon its line from Glen Tay to Whitby. And the Grand Trunk double track road would be used instead of the present C. P. R. line from Woodstock to Windsor.

In the eastern section, the National Transcontinental line from Diamond to Edmundston and from Cyr to Chipman would be abandoned. Here, the traffic would be handled over the C. P. R. and the Intercolonial lines.

Another important abandonment would be the C. P. R. line from Saskatoon to Unity, in Saskatchewan.

Position of Public

The question at once arises, could these lines be abandoned without public injury? This question was analyzed by the Commission, as the following excerpts from the evidence show:

Sir Joseph Flavelle:—"Mr. Beatty, having reference to the abandonment of 5,000 miles of railway, units of which have been in operation for from 1 to 15 or 20 years, have you attempted to make an estimate, or have you considered any possible basis of the compensation to established property, industrial plants and other things that necessarily grow up around local stations?"

Mr. Beatty:—"Of course, in the territory served by this 5,000 miles of railway there is nothing substantial. There are a few grain elevators wherever it is a prairie line. It is a simple matter to remove them to an adjacent line... I do not believe there is anything substantial in the way of industrial development on any of the lines that we have suggested abandoning."

Never Resume Again

Moreover, Mr. Beatty meant to abandon this waste trackage for good and all. He made this abundantly clear. He said:

"My view has always been that if you approach this with the idea that you are going to have maximum economies you cannot at the same time restore those lines in a few years in the condition in which you got them. I do not think that is possible. If you are going to abandon a piece of track because you don't need it, you won't save much if you say in five or six years. 'I have to give it back in the condition in which I got it.'"

Save Huge Mileages

The effect of this track abandonment, plus the unification of operations would be to eliminate 7,500,000 passenger miles and 51,000,000 passenger car miles per year. By re-routing freight traffic 5,300,000 freight train miles and 67,000,000 freight car miles would be saved.

Mr. Beatty placed the annual saving at the end of five years—and this time would be required to work the two systems into a whole—at $64,267,000. But ultimately he believed the savings would run to $75,000,000.

In regard to the five year saving, he gave the chief item, as follows:

Maintenance of way and structures	$14,888,000
Maintenance of equipment	14,360,000
Traffic expense	5,775,000
General expenses	4,289,000
Dining cars	918,249
Transportation expenses	23,994,000

This last item was split into main headings as follows: superintendence, $1,290,000; station service, $3,470,000; yard service, $3,944,000; train service, $13,215,000.

Involve Staff Reductions

Naturally economies on such a scale would mean substantial reductions of staff in all departments. The entire calculation, however, is based upon the railway year, 1930, when the Canadian Pacific was employing 61,600 persons and the National 82,129. These staffs have been greatly reduced in the past two years. But while there would be a reduction in employees, Mr. Beatty explained these would gradually be absorbed back into the system. The normal change over in railway employment is about 4 per cent per annum, so that a few years would soon offer jobs to most of those who might be let out—particularly so if general business should improve.

The discussion before the Duff Commission was based upon common agreement that the railway problem is an urgent one. Mr. Beatty's solution, obviously, was framed to meet an emergency and the interchanges between the witness and the commissioners clearly reveal not only this, but the whole background to the Beatty plan.

Political Difficulties

Mr. Beatty told the commissioners, "You want to save all the money you can."

And the discussion that ensued brought his whole views into clear relief.

Mr. Leman:—"That is where we want enlightenment."

Mr. Beatty:—"Well, if you can find a way to eliminate the government in the interim we will be taking a long step in the right direction. I am as convinced as I am sitting here that if three years from now there was an upturn in business which was, say, substantial, we would meet the same kind of competition and competitive extravagances that we have faced in the last eight years, and while we think we have learned the lesson and won't be extravagant, I do not believe we will realize that hope."

Mr. Leman: — "There may be another government that has not had that experience."

Mr. Beatty:—"And if it becomes advisable for political reasons to spend money on railroads, it will be spent. It is always policy except in times of great depression."

Sees No Alternative

Mr. Leman:—"The point is this. Is it possible, over a period of time not too long and not too short, to have the effects of unification without placing the public of the country face to face with a stone wall where they can see no possible way of separating these two units again, having the benefit of what you consider might be the solution, competitive railway lines privately owned and managed?"

Mr. Beatty:—"My fear would be that the time you would require would be so long that in the estimation of the public it would be subject to the same objections as unification permanently. If it were a short period, it would probably be accepted by the public as a reasonable alternative, a reasonable way of meeting the situation and conditions, but I do not think it would be long enough to enable us to do what I think we should do. Take a five year period. I would not say there would be any chance of accomplishing very much within that time, with the knowledge that at the end of the period the properties would have to be turned back to their owners."

Mr. Leman:—"What about ten years?"

Mr. Beatty:—"It is that much more, but when you consider that we think it will take us five years to work up to the maximum economies, you will see that it would only give us a leeway."

Mr. Leman:—"Fifteen years?"

Mr. Beatty:—"You are getting to the point now where the time raises the same objection in the public mind as a permanent arrangement."

Mr. Leman:—"That is a period that men visualize readily enough in their lifetime."

Mr. Beatty:—"We know that the last fifteen years have been very short to most of us."

Administrative Plan

Sir Joseph Flavelle:—"In our plan of unification is it your thought to terminate the public control ultimately of public property? It would be in essence a merger. Is it your thought that a publicly owned property should disappear?"

Mr. Beatty:—"The unification we have been discussing has been one of administration, not of ownership."

Sir Joseph Flavelle: — "To let ownership remain."

Mr. Beatty:—"Yes. And then I did suggest an enlargement of the powers of the Railway Commission, or the establishment of another tribunal. There should be strict regulation."

Sir Joseph Flavelle:—"You were thinking in terms of a lease."

Mr. Beatty:—"Yes, that was only to provide administrative unification."

"Ignorance Is Widespread"

Quite obviously the success of the Beatty plan turned upon whether or no the public would accept it. True, the Duff Commission did not accept it. Nor is the Commission's plan faring much better. The whole question now being re-opened, Mr. Beatty's answer to this very question becomes of interest.

Mr. Murray:—"What do you think would be the reaction of Parliament and the country to your scheme, Mr. Beatty?"

Mr. Beatty:—"I have always felt, and my view has been confirmed, that if the fibre of the people of this country is anything like that of the people of Great Britain—there being no problem in Canada upon which there exists such colossal ignorance as the railway problems—and this Commission paints the picture accurately, even if it be in somewhat sombre colors, the vast majority of our people will sit up and take notice, and the influence of the report of the Board and the conclusions they reach will be far beyond anything of which we have any idea.

"Largely because this ignorance is so widespread, it is going to come as a shock to our people that there is any difficulty. I have talked to men within a week who have said: 'It is too bad about railway earnings. They are suffering with the rest of the country. The National railways are suffering like the rest, but it is a great national asset.' It cannot be both an asset and a liability, and the only thing the railways have to sell is service. If we cannot afford to give the service in Canada for what we are getting out of it, we cannot hope to remain solvent.

"I think we are apt to underestimate the effect of this Commission's pronouncements. This is the first time an independent body of men have had a look into our railway situation in years. In almost every case we have been led up some political by-path and no solution has been reached. I think we are at the end of that now, and I am not a pessimist about this country."

Criticizes Public Ownership

Apart altogether from the immediate railway problem, Mr. Beatty made out one of the most damaging criticisms of public ownership of railways. He said:

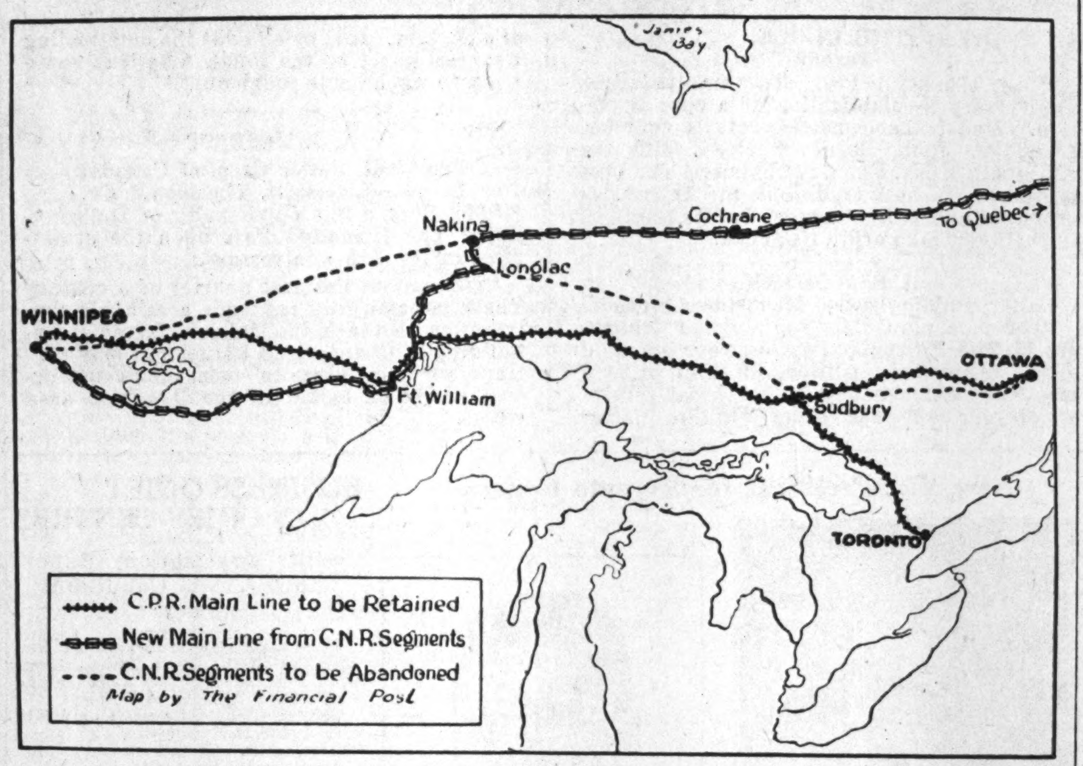
"We talk a great deal about political interference being damaging to railway operations, and we know that that is true, generally speaking. But when we say it we seem to think the only political influence is that exercised by the government or a member of a government or a member of parliament. To my mind the worst kind comes from the political attitude of men in publicly owned institutions. Possibly they are not conscious of it, but they become politically minded: their policies and actions have a political tinge, and that, from my standpoint, is more serious as representing the attitude of the corporation than the isolated act of a member of parliament who tries to get a man employed.

Must Avoid Repetition

"Years ago the ability of privately owned railway companies to withstand political pressure was somewhat limited. Today it is nothing like it was, because we can say no to the public institution, to that kind of pressure, but the politics that develop inside an organization because it is publicly owned, and not privately owned, is a serious thing.

"We embarked upon a public ownership policy not from choice but because certain railways, were in trouble. We were in the middle of a war, and we did not want the credit of the country to be impaired, and we took over those railways willy-nilly. Then we began to experiment. The first intention was to put them in shape. We did that. Then we went on with an unlimited expansion of those railways and in consequence acquired a very huge capital liability. Who is to say that that policy will not be repeated five or ten years from now by a government and that there will not be millions of dollars spent, as there has been on public works that are absolutely unjustifiable if it were not for the fact that they are public institutions, or that some political advantages are to be gained. That is the danger that I foresee and which I am anxious to prevent. We all think we have learned our lesson, but I am not so sure we have, I am not sure that our memories are long enough to keep us from forgetting in five years."

Beatty's Plan for Two Main Rail Lines


James Bay
Nakina
Cochrane
To Quebec
Longlac
WINNIPEG
Ft. William
OTTAWA
Sudbury
TORONTO
C.P.R. Main Line to be Retained
New Main Line from C.N.R. Segments
C.N.R. Segments to be Abandoned
Map by The Financial Post

Before the Duff Railway Commission, President E. W. Beatty of the C. P. R. outlined a proposal to abandon 5,000 miles of track on the C. N. R. and the C. P. R., the chief objective being to give Canada two transcontinental railways instead of three. Typical of the suggestions of Mr. Beatty were those involving trackage across Northern Ontario as shown above.

Canadian Plants Can Learn From Lessons of Others

Experts Who Can Teach Us Best Methods Learned in Other Countries Are Needed and Should Be Welcomed

By J. B. MACLEAN

In the last three or four years over 600 branches of United States industries have been established in Canada. That they have done so suggests they are progressive and enterprising. Many of them have world-wide reputations for the superiority of their product and the generous treatment of their customers. They did not attain that position by chance, by rule of thumb management, by price agreements, combines or racketeering. They attained it by constant, never-ending study and effort to improve in every phase of purchasing raw material and other supplies, production, sales. These concerns do not make extensions or developments—often very heavy investments—without careful advance studies by their experts, frequently over a term of years. That such concerns have, after these investigations come here, is perhaps one of the most encouraging evidences for confidence in the future prosperity of Canadian business.

Welcomed by Canada

There is no doubt this type of immigration is cordially welcomed by Canadians in general. It is welcomed particularly by men of vision who see in it ever-increasing consumption of Canadian raw material and the employment of more and more Canadian workers to supply our own and foreign markets. It is a development in which, in the long run, all will share—even their Canadian competitors.

But it will not be welcomed by some of the latter. It means severe competition with hundreds of old-established, easy-going Canadian concerns—concerns that have been jogging along, neglecting opportunities for extending industries, for increasing employment, for using more Canadian raw material, for cultivating and developing foreign markets — concerns often depending upon high tariffs and combine agreements. Not a few of our important industries—like paper—have not been operated in the interests of their customers or their workers. As Premier Taschereau of Quebec pointed out the other day: "All their thoughts have been on, and their schemes directed to stock market operations, and not to building a profitable paper business."

The advent of United States and other foreign interests has already meant the retirement from business, because of inefficiency—or mismanagement, which is the same thing—of a number of Canadian concerns, throwing on the world many men and women who will find it difficult to again, if ever, get steady work.

Keeping Pace With Science

There are many Canadian commercial and industrial concerns that are quite as progressive and efficient as any to be found anywhere in the world. They are holding and will have no difficulty in holding their own with the increasing competition. They are not the largest firms by any means but they are noted for their splendid management, for high quality of their product and generous treatment of their customers. They have and must have low cost of production. Necessarily they have and must have the best informed, most highly trained workers, and to get these they must pay and maintain the highest salaries and wages that conditions will permit.

What should now be the policy of the great mass of Canadian firms who are not as well placed to meet this growing, severe competition?

Common-sense suggests that the first step would be to learn from experience; to learn how the successful concerns manage their affairs and created their success.

Learning From Others

On this continent we take a broader view of our competitors, our customers, our employees. We believe that by promoting general prosperity in the industry and country we are building our own future on a sounder basis. Even if by doing so we ourselves suffer temporarily. Hence well managed concerns are always ready to give, to exchange or pass on what they have learned from their experiences. This is best done through personal contacts, and next and mainly through business and technical newspapers. Leading concerns will allow their competitors to visit their organizations and will answer frankly any questions. They regard the editors and reporters of the business newspapers as their most important aids for the development of their industry as a whole. Sometimes a concern will lend an employee, who has made a success in a particular bit of work, to a competitor to show them how it was done. Sometimes groups in the same field employ various types of business managers to study problems and advise them how to produce better goods, give better services, and lower prices to increase consumption. And, of course, if consumption is increased it means more orders, and hence more employment.

The Mail and Empire, Toronto, seems to think that this whole modern system of learning from successful experience is entirely wrong, and advises its readers to have nothing to do with it, even to ban it from Canada. One of its editors, J. V. McAree, has for nearly forty years conducted a column on its editorial page which is always interesting though sometimes quite inaccurate as to the facts and unsound in the interpretations thereof. He believes "that a good deal of our business trouble today is due to the fact that so many businesses are in the hands not of men who created them but men who have inherited them. Nothing is commoner than for a man to build up a business, and when he dies hand it over to his sons and perhaps his sons-in-law. Maybe a nephew or so has been incorporated whose experience did not embrace rough weather."

This surprises us. We have never seen it given as a cause of failure in the records that have accumulated over a long term of years. A study of the records would show that back of them all is bad management, due to a lack of knowledge and experience in some form.

Go Abroad to Learn

Scores of enterprising Canadian concerns, in their efforts to maintain their organizations and to extend their businesses, are straining every effort to learn from the experience of others—from the experiences of the most successful concerns in their own and allied fields. They are spending to good effect thousands in sending their managers abroad to learn. They exchange experiences and they bring in men who can tell them and show them, from the experiences of the most successful firms, how they were able to carry on and progress. Concerns that are doing so in these times are meeting with success. Some of them with marked success, particularly in holding together their organizations, steadily improving the quality of their products by better machinery and better methods to enable them to hold their own and progress.

We can write from our own experience. The MacLean Publishing Company has spent nearly $450,000 on new plant and other developments in the last three or four years to extend and improve the quality of our work and many thousands more on sending our workers to the United States and Europe to learn how or in bringing men in who can show our workers how. Much of the information thus acquired goes into our papers for the benefit of Canada as a whole

But Mr. McAree entirely disapproves of this policy. He thinks Canadians who are trying to hold their staffs together in these serious times, to meet foreign competition and, if possible, extend their business are entirely wrong. He says:

"Many thousands of decent Canadians are at this time embittered by what are called efficiency experts, mostly imported from the United States. We are as free from national prejudices as most people, and admit that Americans are as good as any others. Yet we propose that American efficiency experts should be forbidden entrance to this country. We view them in the same light as the San Jose scale, or the boy friends of Al Capone. They may be admirable in their own home circles, true to their wives and families, loyal to the Stars and Stripes and the principles of democracy, devoted also to the principles of efficiency as represented by Henry Ford, but they are obnoxious to Canadians We can do without them. There are businesses in Canada which have competed successfully in world markets. There are many other businesses which have been protected in their home market. All of them can afford to regard efficiency experts as musicians can afford to regard crooners"

Not Sound Advice

The Mail and Empire is evidently completely out of touch with the developments of progressive concerns throughout Canada, whether in agriculture, commerce or industry, which are holding their own and picking up the business, and some of the workers being dropped by the unprogressive concerns are compelled to shut down for good.

What chance have Canadian concerns to hold their own, to grow, to absorb more Canadian raw materials, to keep their workers, if they follow the Mail and Empire's advice and refuse to learn from the experiences of those who have been successful in the management of their affairs?

The situation of too many Canadian businesses facing severe competition, is too serious to be misled by any such advice. Advice which involves not only the owners and other investors but more important the future of their workers. If we cannot keep our workers employed God help Canada.

Business Briefs

"Small" Coal Exports from Britain to Canada during the nine months ending Sept. 30 totalled 30,616 gross tons valued at £14,746, compared with 9,043 tons in the same period of 1931 and 1,180 tons in the same period of 1930. "Sized" coal exported to Canada in the nine months of this year amounted to 900,094 tons valued at £1,159,698, compared with 546,590 tons in the same period last year and 560,067 in the same period of 1930. Total British coal exported to Canada in the nine month periods was 1,167,153 tons valued at £1,463,829 in 1932, 738,646 tons valued at £940,936 in 1931, and 776,093 tons at $1,038,982 in 1930.

Britain's Gold Shipments to France were £69,480,216 in the first nine months of 1932. Total imports in that period totalled £121,082,340 and exports £99,044,255. The chief countries from which the gold has been received were: British South Africa £49,285,966, British India £45,995,356, United States £8,057,831, Australia £4,588,084, Rhodesia £2,725,006, Straits Settlements £1,911,644. The chief countries, besides France, to which gold has gone were: Netherlands £15,960,258, United States £5,504,805, Switzerland £3,831,447, Belgium £3,118,348.

Alberta Clay Products Co. Ltd., one of Medicine Hat's largest industrial plants, has closed down completely. Resumption of operations is not expected for six to eight months. Few plants are reported to be working at over 25 per cent of capacity.

Lumber Mills to the number of 322 were operating at 23.6 per cent of capacity on the Pacific coast for week ended Oct. 1, as against 23.1 per cent in the preceding week and 31.4 per cent in the same week in 1931. Of these plants 205 were closed down and 117 were operating.

Lumber Exports from Pacific Coast centres to United States have fallen since imposition of the $4 tax on imports of Canadian lumber by that country. In September, softwood lumber exports from Canada to the United States were 8,740,000 board feet, compared with 59,701,000 board feet in September, 1931. Shipments to Great Britain from British Columbia totalled 69,000,000 feet during the first eight months of 1932, the highest on record. West coast mills are not increasing production as yard stocks are high. No large scale cutting is expected this winter.

Exports of Apples from the Annapolis Valley to Europe were 143,801 bbls. up to Oct. 9. This compares with shipments of 324,598 bbls. in the same period of 1931.

Potato Crops in New Brunswick are estimated at 4,000,000 bus. for this year, about half the normal yield. Prices are somewhat better than in 1931.

Clay Products industry in 1931 had an output valued at $10,297,026. There were 203 plants in operation, and the production from domestic clays was valued at $7,841,288. Manufactures from imported clays were valued at $2,455,738.

Galvanized Sheets produced in Canada during the first nine months of 1932 totalled 22,363 net tons as compared with 34,126 tons in the corresponding period of 1931. In the first quarter of this year 5,094 tons were made, in the second quarter 9,061 tons, and in the third quarter 8,208 tons. Imports of galvanized sheets into Canada in the nine months ending September 30, 1932, amounted to 9,621 tons of which 7,962 tons came from the United Kingdom and 1,514 tons from the United States. Imports of black sheets for galvanizing totalled 8,265 tons.

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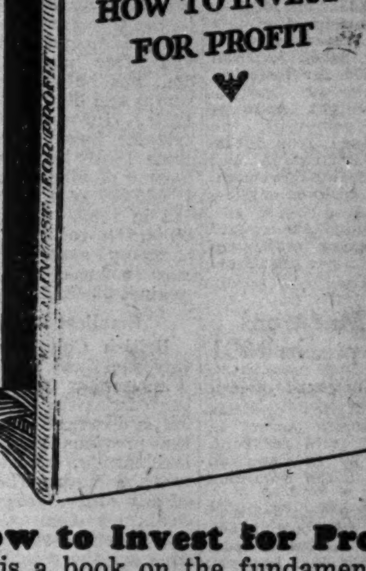
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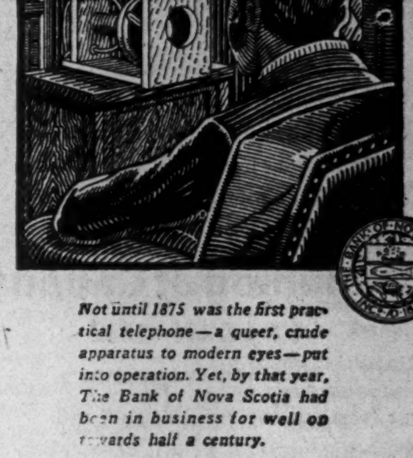
43 Years Before the Invention of the Telephone

Today the telephone enables a business man in Toronto to talk with his client in London, England. Paralleling the development in modern means of communication has been the growth of The Bank of Nova Scotia which today serves industry and enterprise with a Coast to Coast system of Branches in Canada, old established world-wide banking connections and the accumulated experience of a century of successful banking.



Not until 1875 was the first practical telephone—a queer, crude apparatus to modern eyes—put into operation. Yet, by that year, The Bank of Nova Scotia had been in business for well on towards half a century.

A CENTURY OF BANKING SERVICE

This advertisement is one of a series commemorating the hundredth anniversary of The Bank of Nova Scotia

The BANK of NOVA SCOTIA

Utilities and Transportation

MONTREAL POWER SHOWS INCREASE IN SHAREHOLDERS

Over Two Thousand Are Added to Register in Past Year

From Our Own Correspondent

MONTREAL.—The number of shareholders of Montreal Light, Heat and Power Cons. has been increased to 31,519, according to the distribution records of the last dividend payment. This total compares with 30,159 in June of this year and 29,212 at this time last year. The increase of 2,307 shareholders over October, 1931, may be attributed in part to the results of the company's customer-ownership campaign.

Brokerage holdings of the issue show a decline from the June level when 233,060, or 5.2 per cent of the stock was ear-marked for those accounts. At this time last year, 446,294 shares were held by brokers, or 10 per cent of the total issue.

Of the outstanding stock, 3,908,662 shares are registered in Canada for individual holders, representing 87.1 per cent of the issue; 4,088 shares, or 1 per cent, are registered in London; 348,675 shares are registered in the name of banks or trust companies; while 223,790 shares are in the names of brokers, or 5 per cent of the stock.

House Heating Rate Lowered

The company has effected a reduction on its gas rates for house heating. Though the reductions are on a varying scale it is understood that the general average is about 25 per cent lower than the schedule of last year.

Adoption of this policy is an outcome of the company's efforts to build up more business in this particular field and also to add to its load in off-peak periods. Gas heated homes are not numerous; the new rates will affect less than 200 customers.

Revenues of Railways Off $4,972,427 in August

Gross revenues of Canadian railways were reduced by $4,972,427, from $28,072,358 in August, 1931, to $23,099,931 in August, 1932. Operating expenses were also reduced, falling from $26,407,322 in August, 1931 to $21,921,624 in August of this year. Net operating revenues were, therefore, down by $486,728, from $1,665,035 to $1,178,306 for the 1932 month.

Although the freight tonnage decreased by 22.2 per cent, the average haul increased from 264.9 miles in 1931 to 327.2 miles in 1932 due to the heavy grain movement. Revenue in ton miles declined only 3.9 per cent.

Instead of showing the usual seasonal gain, passenger traffic in August declined by six per cent from the July total.

Production of Macaroni Rose 20.7 p.c. in 1931

Output of macaroni, vermicelli and spaghetti in Canada during 1931 amounted to 20,311,423 pounds compared with 16,819,625 pounds in 1930, an increase of 20.76 per cent. This was produced by 14 Canadian factories, according to the Dominion Bureau of Statistics.

Imports of these products declined from 2,968,506 lbs. in 1930 to 1,294,649 in 1931 and exports increased from 731,842 lbs. to 1,149,934 lbs. Imports, plus production and less exports, indicate a domestic consumption of 19,056,289 lbs. in 1930 and 20,456,118 lbs. in 1931.

Despite this increased production and consumption, total value of the product declined to $1,195,987 in 1931 from $1,246,147 in 1930.

Jamaica Public Service September Gross Higher

From Our Own Correspondent

MONTREAL.—Gross earnings of Jamaica Public Service in September showed a marginal increase over those of the same month last year, amounting to $63,809 compared with $63,163 in September, 1931. Net earnings at $26,540 showed a decline of $2,176 and surplus, after charges, was down $1,269 or 6 per cent, at $17,249.

In the twelve months ended September 30, gross showed a decline of 5 per cent at $794,644; net was down 8 per cent and surplus after charges at $205,823 showed a drop of 12 per cent compared with the corresponding period in 1931.

C. N. R. Official Joins Airways

MONTREAL. — Announcement is made of the resignation of C. M. Robertson, for the past four years convention traffic agent attached to the Tourist and Convention Bureau of Canadian National Railways System. Mr. Robertson tended his resignation in order to accept a position with Canadian Airways.

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Tram Passenger Traffic Lowest in Past Decade Figures for 1931 Reveal

Decline of 9 Per Cent from Previous Period Last Year

DIVIDENDS REDUCED

Montreal Tramways Carried Nearly One-third of All Traffic in Canada

From Our Own Correspondent

MONTREAL. — Passenger traffic on electric railways in Canada in 1931 dropped to the lowest level of the past decade. The number of passengers carried last year totalled 720,486,361 compared with 792,701,493 in 1930. This is a decrease of 72,233,132 or 9 per cent, whereas the decrease in 1930 compared with 1929 was 40,795,373 passengers or 4.9 per cent.

Passenger traffic in 1929 touched the high peak in the past ten years; figures for 1931 show a decline of approximately 113,000,000 in comparison with that record figure of 1929.

An indication of the problems faced by tramway companies in the past year is seen in the following ten year comparison:

1922	738,908,949
1923	737,282,038
1924	726,497,729
1925	725,491,101
1926	748,710,836
1927	781,398,194
1928	808,023,615
1929	833,496,866
1930	792,701,493
1931	720,468,361

None of the railways showed an increase in 1931 and decreases for the larger systems ranged from 4.2 per cent for the British Columbia Electric Railway Co., to 18.5 per cent for the Calgary municipal system. With two exceptions, western railways showed larger decreases than the eastern systems. Montreal Tramways, according to figures issued by the Dominion Bureau of Statistics, carried almost one-third of all the traffic and the Toronto system carried a little more than one-quarter of the total.

An interesting feature of the figure covering 52 systems reporting to the Government is the fact that 20 failed to earn operating expenses and after paying interest, taxes, etc., but before providing for reserves and dividends, 27 showed deficits. Incomes of the other 25 systems, however, more than overcame these losses so that the net income of all systems amounted to $7,585,297 compared with $10,111,782 in 1930. Dividends were paid by seven railways out of the 33 company systems, but the total was reduced to $2,979,670 as against $3,402,261 in 1930.

Smallest Decline in B. C.

British Columbia Electric Railway sustained the smallest decline in passenger traffic in 1931. Number of passengers totalled 72,144,921, a decrease of 4.2 per cent from the previous year. The system, incidentally, operates 302 miles of track, a figure which exceeds that of any other system in Canada.

Similar figures, which include passengers carried on buses operated by the electric railway companies, show Montreal Tramways as the biggest carrier, though passenger traffic last year at 232,141,103 passengers showed a drop of 5.3 per cent from 1930.

Toronto Transportation Commission, the second biggest factor, carried 187,090,330 passengers, which represented a decline of 8.1 per cent. Winnipeg Electric, whose tramway operations have proved a substantial problem in the past few years, reported passengers carried down 15.4 per cent at 45,704,371 passengers. Nova Scotia Light and Power Co., the only system to record an increase in 1930, carried 7.6 less passengers in 1931.

A major lapse in Canadian tramway systems was recorded by the electric railway operated by Cape Breton Electric Co. which went into receivership in March, 1931. The system, a small one, was sold to the Eastern Light and Power Co. and later on in the year was again sold to Cape Breton Tramways Ltd. which has abandoned some 5 miles of former trackage.

As regards earnings of all systems, gross revenues in 1931 showed a decrease of 10 per cent from the previous year while operating expenses were reduced 9 per cent. Taxes amounting to $2,392,428 were heavier than for any year since 1921.

Maritime Tel. Expects Call On N.Y. Loan

From Our Own Correspondent

MONTREAL.—An intimation that the company might be called upon at any time to pay $300,000 which it owes in New York was mentioned by J. H. Winfield, managing director of Maritime Telegraph and Telephone Co. in emphasizing that company's necessity for the issuance of $500,000 of bonds. Mr. Winfield stated that it was doubtful whether banking accommodation could be secured in the event of the call being made.

At the hearing of the company's application before the Nova Scotia Board of Public Utilities it was also stated that $410,000 could probably be realized from the proposed sale of $500,000 of five per cent general mortgage bonds. Retail price of previous issues was around $86, it was said.

Last balance sheet of Maritime Telegraph and Telephone Co. showed bills payable of $300,000. Proceeds from the proposed bond issue would be allocated to expenditures on central office equipment according to the application before the Board.

WHOLESALE PRICES DECLINE IN OCTOBER

Index Number is 65.0 Compared With 66.9 for September

Preliminary index number for wholesale prices for October was 65.0 compared with 66.9 in September, according to the Dominion Bureau of Statistics. Quotations for 47 products were higher, 129 were lower, and 326 were unchanged. Chemicals were the only group to advance. Their index rose from 82.8 to 83.4 because of higher prices for shellac, white lead and fertilizers.

Price recessions for wheat, oats, rye, flax, barley, flour and other grain products caused the decline in the index for vegetable products shown in the table below. The index for animal products was lower because of declines in prices for steers, hogs, lambs and fresh meats which more than offset gains for calves, lard and eggs.

Fibres, textiles and textile products fell largely because of lower quotations for cotton, saxony, jute, silk and worsted yarns.

The following table clearly indicates the changes during October.

Index Numbers of Wholesale Prices in Canada, 1932

Group	1932 Oct.	1932 Sept.	Oct. 1931
Vegetable	52.2	53.5	54.4
Animal	59.3	60.8	68.2
Fibres, textiles	69.1	70.0	71.9
Wood and paper	64.5	69.9	78.2
Iron and steel	85.8	85.9	87.3
Non-ferrous metals	57.7	58.9	63.0
Non-metal. minerals	85.9	86.1	86.7
Chemicals	83.4	82.8	84.8
Composite index	65.0	66.9	70.0

CANADA BIG SELLER OF FOOD TO BRITAIN

Chief Source of Barley, Wheat, Lobster and Salmon

A survey of Canada's place in supplying the British market with foodstuffs during the nine months ended Sept. 30, shows that we were the chief source of supply for barley, wheat flour, canned salmon and lobster. Canada was the second largest source of supply for oats and cheese in the British market, but only fifth for bacon.

Canada supplied 28,670,455 cwt. or 36 per cent of Britain's total imports of 79,052,569 cwt. of wheat, Australia coming second with 27 per cent. This 36 per cent will probably be increased during the last three months of the year. Of wheat flour Canada supplied 2,724,592 cwt. or 42 per cent of the British imports and Australia was again second with 38 per cent.

Of Britain's total imports of 6,493,834 cwt. of barley, Canada supplied 1,798,238 cwt. Canada virtually monopolized the British market for lobster, having supplied 20,072 cwt. out of a total of 21,215 cwt. imported, and we supplied 45 per cent of Britain's imports of canned salmon of 254,000 cwt.

New Zealand took first place with Canada second in supplying cheese to Britain. Total imports were 2,278,976 cwt. of which we supplied only 459,218 cwt. Argentina supplied 2,775,209 cwt. of oats to Canada's 1,754,426 cwt. in the British market. Canada supplied only 158,692 cwt. of bacon to Britain of her total imports of 8,534,647 cwt. Denmark, Poland, Holland and Sweden all supplied more bacon to Britain than Canada did in the nine months.

Figures Reveal Drop in U. S. Farm Imports

The export of products of the Canadian farm to the United States has suffered severely in recent years. An illustration of the effect of the tariffs imposed by that country is provided by the records of the Dominion Bureau of Statistics which give the figures from year to year and from month to month.

Examination of the twelve month periods ending September show that in 1920-1, during most of which the Underwood tariff was in operation and latterly the Emergency tariff, the exports of Canadian farm products to the United States were valued at $159,498,263.

In 1921-22, during most of which the Emergency tariff was in existence, the exports of these products dropped to $55,252,769.

In 1928-29, during all of which the Fordney-McCumber tariff was in operation, the exports were valued at $57,746,133.

In 1931-32, during all of which the Hawley-Smoot tariff has operated, the exports of these farm products to the United States have declined to $8,850,404.

Propose Mutual Plan To Aid Unemployment

A proposal has been made that the Essex County Automobile Club organize a mutual insurance company for insurance of passenger cars of which there were 26,241 registered in the country last year. The plan is suggested as a method of raising funds for unemployment relief.

It is contended that if only 10,000 car owners were to join such a group at a cost of $25 a car, $250,000 could be raised, and that after deducting 25 per cent for commissions and overhead, there would be $187,500 available to pay claims. If members would pledge themselves to drive carefully it is estimated that half of this sum could be saved for relief purposes.

Silver Anniversary Messages

THE GLOBE,
Toronto

"The Financial Post observes its silver anniversary by publication of a special edition. Under the ownership of its founder, Lieut-Col. John Bayne Maclean, and the editorship of Mr. Floyd S. Chalmers, The Post preserves its best traditions for aggressive comment and enlightenment on transactions in the financial world of Canada."

J. B. WOOTAN
Editor, Public Service Magazine, Chicago

"Let me congratulate you and the publishers of The Financial Post on your splendid silver anniversary edition. I think it is a most impressive tribute to the great service which your paper has rendered in this quarter of a century. It is by all odds the outstanding financial paper on the North American continent, in my humble judgment."

A. J. NESBITT
President, Power Corp. of Canada;
President, Nesbitt, Thomson & Co.

"May I take this opportunity of congratulating The Financial Post upon the attainment of its 25th anniversary.

"Throughout the past quarter of a century The Financial Post has made a valuable contribution to the industrial and financial upbuilding of Canada, and I trust you may continue, for many years to come, your constructive efforts on behalf of the Dominion as a whole."

New Vice-President for Toronto General

THOS. BRADSHAW

C. S. MACDONALD

Toronto General Trusts Corporation announced this week the election of Thomas Bradshaw, a director since 1920, to the position of vice-president, and of C. S. Macdonald, as a director. Both are life insurance presidents, Mr. Bradshaw of the North American Life and Mr. Macdonald of the Confederation Life.

Federal Farm Loans Already Prove Costly

Net Income Not Enough to Cover Cost of Borrowings by Government and Losses on Bad Debts

An audit of the Federal Farm Loan Board, tabled in Parliament last week, shows a paper profit on operations in the year ended March 31 last of $271,322.85.

This profit is arrived at by counting as revenue all interest earned (whether paid or not) and by taking advantage of freedom of interest on the original contribution of $5,000,000 put up by the Dominion treasury.

Judged by standards of ordinary business, the Farm Loan Board already is running deeply in the red, is proving itself to be one more sieve through which public money is certain to be dissipated in large volume without hope of recovery. Charged 5 per cent on the original $5,000,000 advanced by the treasury, the Farm Loan Board passes heavily into the red, if any allowance at all is made for mortgage interest written off.

Though the scheme is but three years old, arrears of interest total $147,018.06, not counting the part of the current interest of $202,165.50 that may be uncollectable.

Big Losses Incurred

Figuring the way any business enterprise resting on its own resources would do, the Federal Farm Loan board last year lost if anything heavily. This year the losses will be increased. The Federal Farm Board is now well established as a barnacle on the treasury.

Take the income account for last year.

Income:	
Interest earned on mortgage loans	$446,821
Interest on bank balances	2,074
Total income	$448,895
Outgo:	
Interest on bonds at 5 per cent	$ 49,586
Administration and general expenses	127,987
Total outgo	$177,572

In this way the year's profit is shown—$271,322.85.

But in order to make this showing no allowance is made for interest on the $5,000,000 which the treasury put up to start the scheme. This sum was given in August, 1929, and is to be free of interest for three years. It began to earn at 5 per cent last August.

Last March 31, a sum of $69,406.56 of principal was in arrears and $147,018.06 of interest. In addition an item of $202,105.56 was set up as current interest, but how much is collectible or otherwise is not clear.

The auditor's report is made by Peat, Marwick, Mitchell and Company, of Montreal. It points out that $1,055,542 of capital stock has been issued. This stock represents 15 per cent of loans made and is divided 5 per cent each between the Federal and provincial governments and the borrowers. The provinces, of course, only subscribe to 5 per cent of the value of loans made in their territory.

Appointment of Beaudry Leman, general manager of the Banque Canadienne Nationale, to the board is announced. He is giving his services free of charge, having declined to accept the fee of $1,000 provided under the statute.

Taking the profit of $271,323 shown this year, the Board has placed $67,831 in reserve as required by statute. An item of $39,000 is set up as provision for possible losses of loans and $150,000 is allocated to contingency reserves. This leaves a small surplus of $33,280.42 unallocated.

The balance sheet of the board is of interest.

Assets—	Fin. Post
p.a.p.	
Cash in banks	$ 117,387
Capital stock subscriptions payable	59,942
Accounts receivable	37
Tax sale advance	201
Loans to farmers (against this a reserve of $62,034.44 for possible losses has been set up.)	8,250,602
Fixed assets	3.954
	$8,364,989
Liabilities—	
Accounts payable	$ 1,807
Other accounts payable	19,089
Fire insurance recoveries and other deposits of borrowers	11,367
Appraisal and registration fees received in respect of applications not yet disposed of	1,502
Advances by Dominion government	5,050,000
25 year 5 per cent Farm Loan bonds	1,800,000
Capital stock	1,191,006
Statutory reserve	106,937
Unappropriated surplus	33,280
	$8,364,989

Loans in Arrears

The following table shows the amount of loans made in each province where the board operates, with the principal in arrears in each case:

	Principal	Arrears
British Columbia	$1,176,337	$15,782
Alberta	3,145,106	29,194
Manitoba	552,070	3,509
Quebec	2,172,646	11,153
New Brunswick	516,176	7,367
Nova Scotia	249,999	2,403
Total	$7,878,741	$69,407

Fifteen loans are listed in which the Board exceeded the statutory maximum by which loans may not exceed 50 per cent of the appraised value.

Loblaw Sales, Profits, Shows Good Increase

For the second consecutive period, sales of Loblaw Groceterias Co. show an increase over sales of the preceding period with sales in the four weeks ended October 15 at $1,102,101 compared with $1,033,620 in the previous four weeks although there is a decrease of 5.35 per cent from the corresponding period of 1931. Profits of $70,724 are the largest for any period in the current fiscal year but are 5.39 per cent below profit in the same period of 1931.

Sales from June 1 to October 15, 1932, total $5.246,247 against $5,589,322 in the same period of 1931, a decrease of 6.14 per cent. Profit in 1932 is $306,226 against $322,195 in 1931, a decrease of $6.98 per cent. Directors recently declared a bonus of 20 cents per share in addition to the regular quarterly dividend of 20 cents per share, payable December 1 to shareholders of record November 12.

Build New Absorption Plant

An immediate start is to be made on the construction of a large absorption plant in the Turner Valley oil and gas field, Alberta, by the Royalite Oil Company, subsidiary of the Imperial Oil Limited, according to J. H. McLeod, president of the former company and production manager of the latter.

Bonus for Beet Growers

With the mailing of another batch of cheques the other day by Canadian Sugar Factories Limited to beet growers in Alberta, representing the final bonus of 35 cents per ton on the 1931 crop, the payment for this crop now aggregates $6.45 per ton, or 95 cents per ton above the original contract price. The beets that year tested 18.34 per cent sugar—the highest test on the American continent.

Public Utility Earnings

Jamaica Public Service

September	1932	1931
Gross earnings	$63,809	$63,163
Net earnings	26,540	24,364
Surplus after chgs.	17,249	18,512
12 Mos. Ended Sept. 30:	1932	1931
Gross earnings	$794,644	$836,011
Net earnings	317,519	345,542
Surplus after chgs.	205,823	236,302

UNTREATED EASTERN
CEDAR POLES
25 ft. to 50 ft.
ALFRED E. COWLING
Scotstown Que.

BUSINESS QUIET IN CHIEF CENTRES

Credit Association Report Shows Trade Conditions Poor

The weekly trade report of The Canadian Credit Men's Trust Association Limited for the week ending November 5, 1932, is as follows:

Halifax—Wholesale trade only fair, with groceries showing a slight improvement. Retail trade quiet. Collections continue slow.

Saint John — Wholesalers report grocery lines fairly active; boots and shoes and dry goods only normal. Retail trade continues slow with the exception of grocery lines, the mild weather still prevailing. Collections very slow.

Montreal—Wholesale groceries and boots and shoes reported fairly active. Dry goods somewhat improved but still slow. Gents' furnishings, jewellery, novelties, etc., slightly better; clothing fair only; hardware quiet. Retail both city and country report a quiet week. Wholesale collections fair. Retail slow.

Toronto—A fair demand for seasonable goods is evident, with some factories quite active in production of merchandise for Christmas trade. Retail trade continues only fair, with no improvement in collections.

Winnipeg — Manufacturing fairly steady. Wholesale dry goods, boots and shoes and clothing lines fair, with good demand for rubber footwear. Wholesale groceries steady. Retail trade only fair, the milder weather prevailing having caused a drop in sales of heavy lines of wearing apparel. Retail collections continue slow. No improvement in collections from a wholesale standpoint.

Regina—Wholesale groceries reported fairly good. Dry goods trade still continues good. Hardware fair. Retail trade only fair. Wholesale collections practically nil. Retail collections: City, fair to slow; country, very poor.

Moose Jaw—Wholesale dry goods and boots and shoes reported quiet. Wholesale and retail groceries fairly good. Wholesale and retail hardware fair. Collections fair.

Saskatoon — Wholesale groceries and hardware trade shows little or no change over previous week's trading. Boots and shoes remain fair. Oils and greases fairly quiet. Dry goods: volume remains satisfactory although due to the mild weather prevailing there has not been any demand for heavier winter clothing. City retail trade reported fair only. Wholesale collections show no improvement. Retail collections fair.

Calgary—All lines of merchandise show considerable decrease in volume during the past week, due presumably to recent drop in price of grain. Collections on old past dues show little or no headway.

Edmonton—Conditions in all lines of trade continue very quiet. Collections slow.

Vancouver — Conditions generally continue with very little change. Seasonable goods are moving fairly satisfactorily, although considerably below normal. Collections on current purchases are reported fairly good, with collections on past due accounts slow.

Dominion of Canada 4% Bonds
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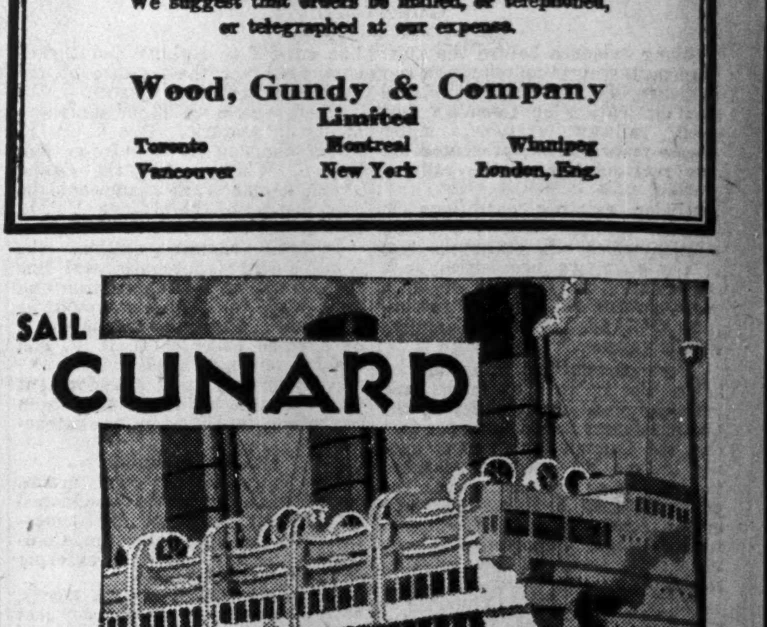

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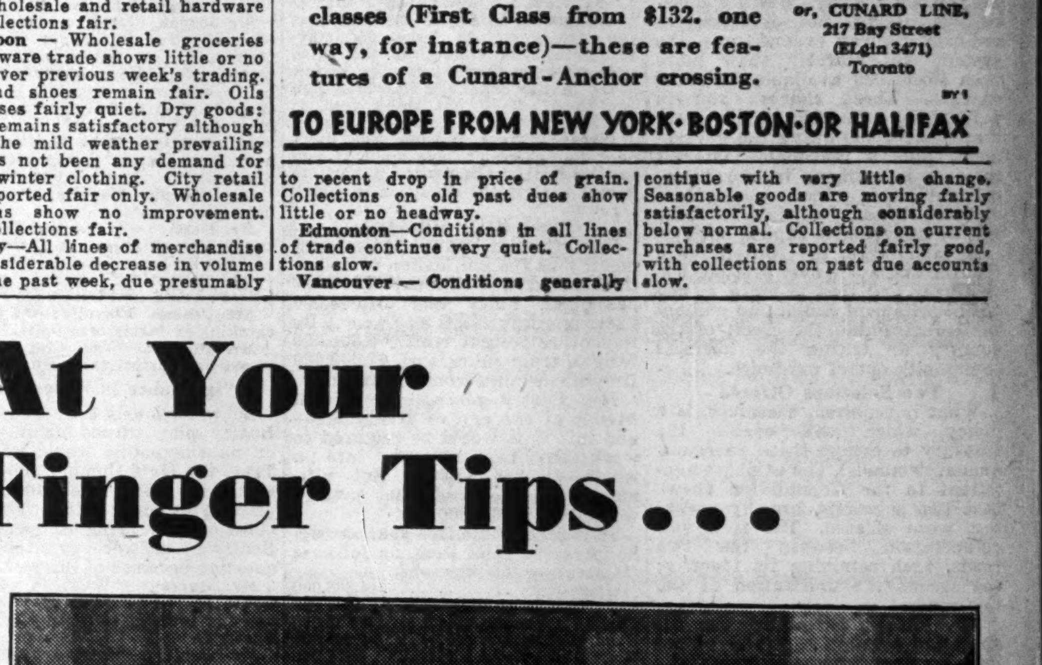

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News of Investment Markets

DOMINION LOANS ARE $205,000,000 IN CURRENT YEAR

Full Subscription of 4 p.c. Loan is Now Assured

MOVED SLOWLY

Banks Advance $35,000,000 For 2 Years; Mild Inflation Will Cause Adjustment of Bond Prices

That the Dominion of Canada will sell $80,000,000 of the 4 per cent loan of 1932 is a foregone conclusion as The Financial Post goes to press but there appears to be little possibility of the campaign being continued in the hope of selling $105,000,000. Large investors, institutional and corporation, have taken the bulk of the loan while small investors have not found it particularly attractive due to the 4 per cent coupon rate and the fact that the price for the 20 year bonds was slightly over the market when the loan was first offered.

That the current loan did not sell as well as the National Service Loan is generally admitted. Institutional investors, it is believed, took a larger proportion of the bonds but the small investor did not come into the picture to the same extent as in November, 1931. The trend of bond prices, sharply upwards in the past four months, was not appreciated by the small investor who is not usually enamoured of low coupon rates even when the bonds are sold at substantial discount. Opinion is divided as to whether a 4 per cent or a 4½ per cent coupon rate was advisable but it is generally felt by bond salesmen that the offering price on the 20 year bonds was too high. Had the price been slightly lower, the public response might have been much quicker.

Loans Total $205,000,000

Even if the books of the current loan are closed at $80,000,000, the federal treasury will have raised $205,000,000 in loans this year. As early as last spring The Financial Post indicated that federal borrowings might approximate $200,000,000. In addition to the $80,000,000 just raised, a $60,000,000 loan was floated in New York during September; an issue of $30,000,000 4 per cent notes, presumably maturing in one year, was sold to the Canadian chartered banks in August and in the past week $35,000,000 of 4 per cent two year notes has been sold to the banks, a total of $205,000,000. Of this total $90,000,000 matures in one year; $35,000,000 in two years, $25,000,000 in three years and $55,000,000 in 20 years.

The $35,0000,000 loan from the Canadian banks, negotiated early this month is admittedly for purposes of inflation; an inflation of 12.2 per cent on the basis of notes in circulation. The effect on Dominion of Canada external bonds and on the Canadian dollar in New York was immediate and in less than a week Dominion of Canada bonds listed on the New York Stock Exchange dropped an average of nearly three points while the Canadian dollar dipped sharply to the mid-August level. Other Federal obligations weakened in sympathy and bond dealers expect that there will be further adjustment as other issues, provincial, municipal and corporate, are brought into line. Once this adjustment is effected the bond market will be influenced by general conditions. Much will depend upon the stability of the Canadian dollar at its new level.

As a general rule an inflated currency results in a higher price level for commodities and the purchasing power of the bondholder's dollar is less. The result is a lower level of bond prices that brings bond yields up. This movement might be accelerated by a reduction in foreign demand for Canadian bonds notably from such countries as the United States that remain on the gold standard but on the other hand buying from countries such as Great Britain might be stimulated. Securities of individual industries that might be benefitted by inflation would naturally show some appreciation as a result of better earnings.

Foreign Bonds In Default Now Total $1,728,875,029

U. S. Investment Bankers Consider Formation of Council of Foreign Bondholders; Advise More Publicity For Holding Companies

Defaults in foreign dollar bonds total $1,728,875,029, according to figures compiled by the Institute of International Finance and presented at the recent convention of the Investment Bankers' Association of America. In the report of the Committee on Foreign Securities it was recommended that a council of foreign bondholders be formed which would be patterned after similar organizations in Europe.

A summary of the foreign dollar bonds which are in default is as follows:

Country:	Interest default	Total (Including technical default)
Argentina	$7,094,500	$7,094,500
Austria	8,171,000	50,349,000
Bolivia	58,804,000	58,804,000
Brazil	331,469,300	331,469,300
Bulgaria	....	16,989,500
Chile	326,557,500	326,557,500
China	11,000,000	11,000,000
Colombia	85,501,000	170,058,800
Dominican Rep.	....	16,715,500
Ecuador	10,722,000	10,722,000
El Salvador	9,033,100	12,910,600
Germany	....	32,000,000
Greece	26,942,500	26,942,500
Hungary	49,539,000	65,861,300
Mexico	273,574,029	273,574,029
Peru	91,286,000	91,286,000
Russia	75,000,000	75,000,000
Sweden	86,563,500	86,563,500
Uruguay	5,604,000	64,977,500
Totals	1,456,861,429	1,728,875,029

The opening address at the convention, by Col. Allan M. Pope, president of the association, dealt with defaults in foreign and domestic bonds. Of $7,500,000,000 foreign bonds, 19.4 per cent are in default; of $10,584,000,000 industrial bonds, 7.2 per cent; of $16,590,000,000 utility bonds, 5.4 per cent; of $12,021,000,000 railroad bonds, 5.5 per cent; of $18,185,000,000 municipal bonds in communities with a population over $30,000, 1.8 per cent; of $6,000,000,000 real estate bonds, in issues of $500,000 or more, 14 per cent. Reorganizations not technically reported as defaults would, if included in these figures, increase the percentage of defaults in large issues.

In interpreting these default figures, Colonel Pope said that in view of the extent and intensity of the depression, the percentage of defaults was relatively small. In referring to foreign loans, he said that without this flow of excess funds to other countries "the internal overexpansion in practically all lines in the United States would have been so much greater than it actually was, security prices would have been so raised above the point to which they actually rose, the conditions in Europe would have been so disastrously affected to our own economic detriment, that our present condition, bad as it is, would have been far worse."

The report of the Committee on Real Estate Securities recommended voting trusts as the most practical way of handling foreclosures. It also recommended a uniform foreclosure law for the 48 states which would eliminate the delay of two or three years now necessary to carry foreclosure to completion.

Publicity for Holding Companies

The Committee on Public Service Securities made a trenchant attack on secrecy in the operation of holding companies. The committee's report declares that the complicated inter-company transactions were calculated to confuse investors and presented opportunities for practices which were questionable if not absolutely fraudulent. "It is not necessary to give examples. Everyone with the least familiarity with this subject can supply plenty of examples from his own knowledge."

The report urged that, as a result of recent experiences, corporate forms be made as simple as possible. Frequent and detailed statements of everything affecting the earnings and financial condition of all companies involved should be given the public so that security holders may not be deceived by complicated inter-company transactions or contracts. "Reputable firms should refuse to deal in the securities of companies that do not give such information and should not recommend them to the public."

United Grain Growers Present Good Report

Bond Interest and Dividends Were Fully Covered in Difficult Year — Working Capital Strong and Bank Indebtedness Paid Off

Operating profit of United Grain Growers for fiscal year ended July 31, 1932, was $917,245, it was shown by the financial statement presented to the delegates present at the annual meeting of the company which opened in Saskatoon on November 8. From this amount there was provided $242,437 interest on bonds and mortgages, while depreciation was provided to the amount of $466,552. After $28,043 was provided for income taxes, the net surplus for the year was $180,213.

The amount of surplus previously carried forward was $808,388. This was increased, before payment of dividends, to $988,601. Payment of dividend at the rate of 5 per cent on the paid up capital of the company took $160,044, leaving to be carried forward in surplus account $828,558.

Handled More Grain

The report of the directors presented by the president, R. S. Law, attributed the comparatively successful record in a year of many difficulties to a number of causes, of which the company's financial strength, carefully built up during years of prosperity, was mentioned first. In addition, United Grain Growers handled a larger percentage of the western crop than for many years previously. To some extent this was due to favorable location of the company's elevators in the west, with comparatively few in the large areas which in 1931 had suffered from crop failure. A marked tendency was also noted for farmers at competitive points to give an increased percentage of business to the company.

Working Capital Strong

The balance sheets show current assets amounting to $2,934,591 against current liabilities of $1,220,034, leaving an excess of current assets over current liabilities of $1,714,552. Bank loans had been completely paid off and cash on hand amounted to $218,379. Grain stocks were $1,614,182.

Total capital assets stand at $11,236,842, less depreciation reserve of $3,573,114, leaving a net value of $7,663,728.

Total funded and mortgage debt stands at $4,483,417, having been reduced during the year by $262,243 as the result of redemption of bonds and of capital repayments made on mortgages.

Paid up capital stock stands at $3,201,060 with general reserve at $1,710,282 and surplus at $828,577 or a total shareholders equity of $5,739,900.

SILVERWOOD AGAIN OFFERS DEBENTURES

Sold By Employees at Par; Will Reduce Bank Loans, Retire Mortgages

Offering of 6 per cent collateral trust debentures of Silverwood's Dairies Ltd. at par has been resumed with an objective of $250,000. Starting last March a customer-ownership campaign was launched and employees of the company sold some $140,000 of the debentures. The proceeds from the sale of these debentures is to be used in reducing bank loans and retiring mortgages on certain plants of subsidiary companies. Security for the debentures is in stocks of subsidiary companies having a par value of $3,800,000 which is held in deposit by London & Western Trusts Co.

The debentures mature in 1942 and are issued in denominations of $50, $100, $500 and $1,000. The $50 debentures are payable in cash while other denominations may be paid in installments of 10 per cent down and the remainder paid in nine monthly installments. The debentures carry conversion privileges which entitles the holder to convert each $100 par value of debentures into 4 class A shares up to May 15. 1936, into 3½ shares thereafter to May 15, 1940, and into 2½ shares thereafter to 1942. A total of $1,800,000 of debentures is authorized in the trust deed but only $750,000 has been authorized by directors. Earnings available for debenture interest are stated to be 20 times interest requirements. No issue of debentures in excess of $1,800,000 shall be made if earnings are less than 2½ times interest and sinking fund requirements.

A. E. Silverwood, president of the company, warns shareholders against disposal of their preferred or Class "A" stock without first consulting their bankers or lawyers or the company. A further letter to shareholders cites instances where Silverwood stock had been traded by shareholders for bonds and other securities of United States utilities companies which were quoted at low prices because of actual or impending receiverships.

It is alleged that in most instances, the Silverwood shareholders also were induced to hand over some cash in the trade. It is understood that the instances have been brought to the attention of the provincial authorities in the belief that action should be taken under the Security Frauds Prevention Act.

Bond Tenders

8 p.m., Nov. 15, School Municipality of Saint Barthelemi—$24,000, 6 per cent, 20-year bonds, dated Sept. 1, 1932, maturing a part each year from Sept. 1, 1933 to Sept. 1, 1952. A. St. Antoine, sec.-treas.

Nov. 19, County of Peterborough—$35,000, 6½ per cent 10 installment debentures. E. M. Elliott, county clerk.

Nov. 28, noon, Town of Sioux Lookout, Ont.—$18,000, 6 per cent 15 installment debentures, dated Dec. 1, 1932. J. E. Cole, treas.

Nov. 17, School Municipality of St. Florence—$6,000, 6 per cent bonds dated Nov. 1, 1932, due serially from Nov. 1, 1933 to Nov. 1, 1947. F. E. Lepage, sec.-treas.

Noon, Nov. 21, School Commissioners of Grande Riviere—$4,000, 6 per cent, 8 year serial bonds dated Nov. 1, 1932. D. Gagnon, sec.-treas.

Noon, Dec. 5, Municipality of Notre Dame du Nord—$5,000, 6 per cent bonds dated Dec. 1, 1932 redeemable serially from Dec. 1, 1933, to Dec. 1, 1942. J. N. Valliant, sec.-treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104

*Called in part.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
H. Walker-Gooderham & Worts Ltd.	Aug. 31	255,256	1,060,882	...	0.40	...	4,662,259	5,340,282	6	...	...
Can. Marconi	Dec. 31	*98,651	13,441	...	...	...	859,168	457,814	1⅜	...	...
MacKinnon Steel	July 31	15,959	32,307	...	...	...	42,054	53,144	...	...	...
Teck Hughes	Aug. 31	3,723,291	3,311,591	77	69	†60	3,361,554	2,722,111	3.40	4.4	17.6

* Loss. †A bonus of 5 cents was also paid in the last year.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Sault Ste. Marie, Ont.	Nov. ...	Locally	...	.....	$94,000	100.	.....
Lunenburg, N.S.	Nov. ...	Dominion Securities Corp.	5%	20-yr.	54,000	98.07	5.15%
Renfrew County, Ont.	Nov. ...	J. L. Graham & Co.	6%	20-ins.	75,000	....	.....
Vegreville, Alta.	Oct. ...	W. Ross Alger Corp.	6%	20-yr.	7,000	....	.....
Deschambault, Mun. of Que.	Nov. ...	Credit Anglo-Français	5½%	1933 to 1942	50,000	98.02	.....
Corporation—							
Silverwood's Dairies	Nov. ...	Direct	6%	1942	250,000	100.	6%

NEW MONETARY POLICY DESIGNED TO EASE CANADA BANK CREDIT

(Continued from page 1)

municipal securities, promissory notes or bills of exchange issued or drawn for agricultural, industrial or commercial purposes.

Bankers interviewed by The Financial Post maintained that they were ignorant as to the government's purpose in doing this, but it is presumed in financial circles that this constitutes part of a new monetary plan adopted subsequent to and on the advice of Professor W. C. Clark, newly-appointed deputy minister of finance. Professor Clark was formerly head of the courses of Commerce and Administration at Queen's University and is one of Canada's outstanding economists. He achieved considerable distinction during the past summer as head of the Canadian committee charged with preparation of the memoranda and data for the money and currency committee of the Ottawa Conference. The new monetary policy for Canada embodies, it is believed, the ideas of Professor Clark, and reflects the new viewpoint on monetary legislation which he has brought to the Cabinet circle.

Reaction Widespread

Immediate reaction to the news of the new policy was a sharp slump in the price of Canadian dollars in the United States. Since the first of August, Canadian dollars in terms of U. S. currency had been steadily improving in price, the discount having narrowed between August 15 and October 15 from 13 points to 8½. In the latter half of October, exchange weakened materially and last week when word of this unusual plan became widely known, a further slump occurred which carried the discount back to above the 13-point level of three months ago. A similar weakness occurred in the price of Canadian bonds while on the contrary the price of wheat moved sharply upward, reflecting the improved relative position of Canadian wheat on the British market.

As stated by Prime Minister Bennett in the House this week, Canada has ample precedent for her new monetary policy, in the actions already taken in this regard by Great Britain and the United States. As is well known, Great Britain took drastic action to relieve the burden of debtors by abandoning the gold standard in September, 1931. At that time the majority of smaller countries whose fortunes were closely tied, financially and commercially with Great Britain, also abandoned gold. Today the pound sterling and the currencies of most of these other countries is quoted at about 30 per cent below the value of other currencies such as the U. S. dollar which remained tied to gold.

How U. S. A. Inflated

It is not generally known, however, that since the end of July, the United States has also embarked on another form of inflation which if used to the full would provide an inflation of credit amounting to roughly 25 per cent. This followed a central bank policy of easy money and was achieved by what is known as the Borah-Glass rider attached to the Home Bank Bill. It came into force at the end of July and was heralded by the Commercial & Financial Chronicle of New York as a "purely inflationary device."

It provided that United States bonds bearing 3⅜ per cent interest or less, be made available as security for the issue of new National bank notes by any bank which wished to avail itself of the opportunity. The only limitation on the issue of notes was the capital of the banks which totals $995,000,000.

In other words the bill offered National banks the privilege of inflating the credit structure of the country by roughly $1,000,000,000 or approximately 25 per cent of the note issue of the country previously in circulation. The previous United States legislation which led the way toward easy money, but which was not a strictly inflationary move, was the Glass-Steagall Act which provided that the 40 per cent gold backing previously required for Federal Reserve bank notes, be replaced by a correspondinng ratio of United States securities.

Just how far these easy money and inflationary policies have gone in the United States is difficult to estimate but certainly a large number of banks have already taken advantage of the privileges allowed under the Borah-Glass rider which means that since the beginning of August, the United States has been gradually inflating her currency or deflating the gold standard which must eventually make it easier for other nations such as Great Britain and Canada to come together on a common monetary basis. It may, in part, form an explanation for the improved price of Canadian dollars in the United States market, although it is probable that seasonal factors such as the heavy movement of Canadian wheat were major factors in this regard.

Bennett's Statement

Prime Minister Bennett's statement concerning the new monetary policy is as follows:

"Some of the reactions to the report that the Government had arranged a sale to the banks of $35,000,000 in two-year notes which the banks would use as security for borrowing under the Finance Act appear to indicate some misunderstanding of the situation. So far as I am aware the best and most conservative opinion throughout the world is committed to the idea that easing of money and credit is highly desirable in the interests of business recovery. Such is certainly the case in Great Britain and in the United States.

"The credit situation in Great Britain has been materially improved. In the United States a recent enactment gives power to the national banks to create new note issues aggregating nearly $1,000,000,000 against the security of certain classes of government bonds, and this measure supplemented a central bank policy of easing money, which resulted in bringing the government bond holding of the Federal Reserve system to a figure in excess of $1,800,000,000.

"While it may be said that the positive benefits of such actions have still to be achieved, there is no question that they have prevented the situation from becoming decidedly worse. In such matters no one can afford to disregard the judgment of the two leading financial countries of the world although in our case it has to be interpreted in the light of our own situation, which differs materially from that of Great Britain on the one hand and of the United States on the other.

"In the case of Canada, the only machinery available for action along these lines is found in the Finance Act. In the recent transaction the banks purchased two-year notes of the Dominion of Canada, bearing interest at the rate of four per cent, and these notes the banks will use as security in obtaining an advance of an equivalent amount under the Finance Act, thereby swelling their cash reserves and substantially increasing their loaning capacity. This procedure differs in technique, but not in fact, from normal central bank policies followed in various other countries."

Out of the proceeds of the $35,000,000 loan, the Premier said, $12,000,000 had been used immediately to retire a short-term debt, and the balance used to supplement the Receiver-General's banking accounts, which each year on Nov. 1 must be adequate not only to provide for the ordinary operations of the various branches of the public service, but also to pay approximately $30,000,000 of interest on the national debt.

"After having proved our ability to ride out the storm, I feel that we were justified to the very limited degree necessary in our case—in joining other countries in the adoption of monetary measures designed to encourage recovery. However, any broad action along this line is unnecessary and, as I have stated frequently on previous occasions, this country will not depart from the established principles of sound money."

No Policy in Past

For the past year, with no definite monetary policy to guide it, Canadian exchange has drifted about aimlessly, says a survey by Pitfield, Mathewson & Co., members of the Montreal Stock Exchange. This uncertainty is necessarily fraught with many dangers; all advantages of stabilization are lost. We have to face the problem of how long Canada can carry on with uncertain markets and prices for her goods abroad. It entails gambling on the hope that gold prices will increase before Canada entirely loses her foreign markets and bankrupts her export industry.

It is an economic axiom that all receipts and expenditures on foreign account must balance, and therefore if Canada is to meet her foreign payments in gold, she must export goods and services to equal her imports and foreign obligations, or, as she has done in the past, borrow abroad to meet the balance Without the advantage of a stable exchange, it is inadvisable to finance in foreign money markets, except for refunding purposes. Canada must, therefore, depend largely on her export trade and her tourist traffic to meet her obligations abroad. On account of the serious drop in commodity prices, particularly of international raw materials of which Canada is a leading exporter, she must export a greater volume of goods than in previous years to make up for the lower values. World trade has been sorely disrupted during recent years and even the lower prices for goods do not stimulate an increasing world demand, when buyers everywhere expect to be able to buy cheaper a little later on.

Competitive Position

The situation, therefore, is to be able, first to maintain our present export volume, and then place ourselves in a position where we may usurp some of the foreign markets of our competitors. This is all the more difficult with a widely fluctuating exchange. In a period of economic maladjustment such as we are now experiencing, certain countries have temporary advantages over others, as internal prices do not adjust themselves quickly with the broad fluctuations of exchange. Theoretically when a country is off the gold standard, its internal price level should dictate to a large degree the quotation of its exchange in relation to that of a gold standard country, or, in other words, its exchange value should be based upon its purchasing power.

Unfortunately, comprehensive comparative price indexes are not available, but we know that the pound sterling will today purchase almost the identical amount of goods and services in Great Britain than it did in September, 1931, while the American dollar purchases less than 10% more, yet the pound sterling is quoted at more than a 30% discount from the gold dollar. Therefore, the United States importer can purchase goods cheaper in England than at home; also there is the distinct stimulus for the English producer to increase his export trade at the expense of the American producer. We in Canada have a similar advantage over the American producer, but instead of a 30% discount and higher prices relative to gold, we have only a 90% discount tempered by a smaller differential in the price level The broad difference in favor of the English manufacturer, therefore, gives him a decided competitive advantage over us, and it is only by the force of our long established dealings with the United States consumers, and long term contracts in many lines, that we have been able to maintain our relative volume of trade with that country.

This outline of the situation between Canada, England and the United States might apply between any group of countries where Canada is competing for business with other countries whose exchanges are depressed further beyond their true purchasing value, than the Canadian dollar. An interesting and somewhat ominous comparison of Canadian exchange quotations with those of other leading nations who have broken away from gold as a monetary basis, lies in the fact that Canada stands practically alone at 9% discount from gold parity while these other nations have followed sterling closely and their exchanges are quoted at 30% or greater discount to gold. This unique situation places Canada in a particularly vulnerable position, for not only can these countries eventually usurp a large portion of our foreign markets, but they are in a position to import goods into Canada at an advantage over local producers.

Assets Decide Banks' Shares Of $35,000,000

Distribution among the ten Canadian chartered banks of the $35,000,000 of Dominion notes, recently issued under the Finance Act on security of treasury bills of the Government, has been made in proportion to the total assets of these institutions, it is stated

Based on the assets of the banks as at Sept. 30, 1932, this allotment of the Dominion notes would work out for each bank as follows: Bank of Montreal, $9,145,500; Royal Bank, $8,988,000; Canadian Bank of Commerce, $6,867,000; Bank of Nova Scotia, $3,248,000; Banque Canadienne Nationale, $1,711,500; Imperial Bank, $1,592,500; Dominion Bank, $1,445,500; Bank of Toronto, $1,326,500; Provincial Bank, $584,500; Barclay's Bank (Canada), $91,000; making a total of $35,000,000.

Inflation's Pros and Cons

(As Seen By Pitfield, Mathewson & Co., Montreal)

DISADVANTAGES OF INFLATION

1. Against the advantages of inflation must be balanced the fact that Canadian Governments and industry have a substantial volume of funded debt payable in gold or its equivalent in New York funds, as well as a substantial debt payable in sterling only, and whereas at the present time the discount on sterling partly counterbalances the payments in New York funds, this advantage would be entirely wiped out if our dollar reached a parity with the pound sterling, as both Government and industry would then have to meet not only the increased premium on New York funds, but would forego the advantage of the discount on the interest on sterling securities. When it is considered that the increased payment—with the Canadian dollar at par with the pound sterling, would amount at present rates to over 65 million dollars on our foreign debt service, it will be realized that this is a serious objection. This could be partly overcome and some of the advantages of stabilization with sterling achieved, by tying the Canadian dollar to sterling at a fixed rate but not necessarily at $4.86 2/3.

2. Another strong argument advanced against inflation is the effect that it might have on Canadian trade with the United States. It is felt in some quarters that our natural geographic position and our economic and social interests, together with the fact that each is mutually the other's best customer, provides a community of interests so preponderant as to warrant our attempting to keep our exchange as closely tied to that of the United States as possible.

3. It is sometimes said that a further reduction in the value of our currency might bring about some compensating tariff reaction in the United States, so that any trade advantages we might reap from inflation might be to a great extent nullified. In this connection it is important to consider our exports to the United States. In the 12-months' period ended April 30, 1932, nearly 60%, or $137,000,000 of our total exports to that country, consisted of wood, wood products and paper. Of this amount $10,000,000 was unmanufactured wood on which a prohibitive duty has been recently imposed by the United States Congress; some $28,000,000 was pulp and pulpwood, and the balance practically all newsprint paper, the latter accounting for about 39% of our total exports to the United States. The next most important group is non-ferrous metals and their products, which accounted for $35,000,000, or about 15% of the total. Of this amount, $15,000,000 is attributable to copper against which a prohibitive tariff was also recently imposed. Other major items in this group are nickel, $5,000,000, and gold and silver, $15,000,000. The only other category of major significance is animals and animal products, which amount to about $22,000,000 of our exports, or slightly less than 10%. Of this amount, fish account for nearly $10,000,000 and furs $4,000,000. From this it will be seen that the only major danger of tariff reprisals lies with pulp and paper, and when it is considered that the United States Congress sat for nine months during a period when our currency was quoted at a substantial discount and Scandinavian currency was quoted at a discount corresponding to sterling, and not even a suggestion of tariff or exchange compensation was made, it would seem reasonable to assume that no very drastic action of this sort would occur should Canada now inflate. Furthermore, the newspapers are the principal consumers and it is doubtful whether any Congress, either Democratic or Republican, would find it politically or economically profitable to suggest a tariff on newsprint paper, on account of the vast political power of the press.

ADVANTAGES OF INFLATION

1. It would automatically increase the internal price level of all exportable commodities.

2. This would place Canadian manufacturers in a better position to compete in world markets, and would help toward the retention of those markets which they may otherwise readily lose.

3. A rise in export commodity prices should find reflection in some increase in internal business, and thus assist in the paying down of debts.

4. Any increase in the volume of business would relieve unemployment, which in turn would relieve the Dominion, Provincial and Municipal Governments from unemployment relief payments.

5. Any recovery in the dollar volume of business would bring about additional tax collections, thus assisting in the balancing of Government budgets.

6. It would strengthen the position of our banks by increasing deposits and of our insurance and loan companies by the paying down of overdue mortgage interest.

7. Such inflation would act as a stimulus to the security markets, and if Canadian internal high grade bonds were to sell on a 4 per cent basis, this would substantially increase values of securities and strengthen the reserves of our financial institutions.

8. Certain industries, such as the newsprint industry, which sells a large part of its output in the United States, a gold standard country, would stand to benefit materially.

9. It would increase the premium receivable on gold production and thus stimulate this industry, which, in turn, through the purchase of additional equipment, etc., would help the iron and steel and many other industries.

10. Any improvement in the volume of business would be reflected in the traffic of our railroads, which are themselves another serious factor in the Canadian situation.

11. The salutary effect in the Canadian West of an upward move in commodities would be of prime importance. It is impossible to procure full statistics on the western situation, but we understand that in Saskatchewan, for instance, over 46 per cent of all mortgages are at least one year in default of interest. It is estimated that an increase of 15 per cent in the price level of wheat alone would net the western farmer from thirty to forty million dollars additional this year, and this extra return would permit the paying down of mortgage and trade debts, as well as improving tax returns.

12 It would provide added tariff protection to Canadian industry and prevent the dumping of goods by countries with depreciated currencies.

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Grain Board Sought for '33 By Sask. Pool

From Our Own Correspondent

REGINA.—Delegates attending the annual meeting of the Saskatchewan Wheat Pool, which has been in session here for several days, have endorsed the recommendation of the board of directors calling for the establishment of a wheat board to handle the crop of 1933.

The board has already sought, without success, to have the Dominion government take some action in that direction in connection with the crop of 1932. The statement of the directors to the delegates included a declaration that the whole foundation of the Canadian grain marketing system is built on the theory that there will at all times be a sufficient volume of speculation available to meet market requirements. During a period of money scarcity funds for speculative purposes are very limited, and the volume of speculation is reduced accordingly.

The five year contract binding members to market their grain through the Saskatchewan pool expires with the marketing of the 1932 crop, although it has not been enforced either last year or this. While plans for some form of reorganization, based possibly on a new contract, are under consideration, delay in this connection is considered possible until the fate of this test request for a government wheat board is known.

Essex County Attempts to Collect Tax Arrears

With taxes due from constituent municipalities in arrears to the extent of $258,775, the County of Essex plans a final appeal to the Board of Control which has jurisdiction over the finances of the seven defaulting municipalities within its borders. If this appeal does not bring results and the county is not given the status of a preferred creditor, representations will be made to the Ontario Municipal Board.

The Board of Control of the defaulting municipalities has taken the stand that taxes can be paid to the county only in proportion to taxes received.

Seven of the nine municipalities which owe the county $258,555 are defaulters. They are, with the amounts owing, as follows: La Salle, $9,472; Riverside, $44,628; Sandwich East, $23,904; Sandwich West, $33,665; Sandwich, $74,894; East Windsor, $64,814; Tecumseh, $8,294. The other two municipalities in arrears in county rates are Pelee Island, $140, and St. Clair Beach, $8,434.

Central Tyrrell Gold Mines Formed to Succeed Syndicate

Central Tyrrell Gold Mines Ltd. has been incorporated with an Ontario charter to hold title to the property of Tyrrell Township McNeely Synd. consisting of a group of claims in Tyrrell Township, Matachewan area, Ontario.

The new company will have a capitalization of $3,000,000 in $1 par value shares and about 1,400,000 shares will be issued to the unit holders in the syndicate on the basis of 1,000 shares for each unit held. The treasury of the new company will be provided initially with $20,000 from the syndicate treasury.

N. A. Timmins had an option on the property this autumn together with an option on three adjacent properties. An examination was made but the deal did not proceed further and the formation of the new company was decided upon to further finance development.

Calgary Wholesalers' Sales Were $23,001,300 in 1930

Calgary wholesalers handled business amounting to $23,001,300 in 1930. Food and tobacco products were handled by 27 wholesalers who had sales of $12,692,900 or 55 per cent of the total business.

Six grocery wholesalers had sales of $6,258,100 and eight fruit and vegetable dealers had sales of $3,806,000. Bulk tank stations, brokers and manufacturer's agents did business amounting to $57,931,600 in 1930. These figures do not include sales made direct from plants in Calgary.

Ship Canadian Orange Crates

Orange crates made in Canada are beginning to find a market in the West Indies. A shipment of 10,000 crates, turned out in the factory of the Wilson Box and Lumber Co. at Saint John, and forwarded to Kingston, Jamaica, the other day, represents the third such shipment this year and the largest ever made from Canada. New Brunswick hardwood and spruce are used for this purpose.

B. C. Gradually Cuts Interest Rate on Bonds

From Our Own Correspondent

VANCOUVER.—Hon. J. W. Jones, minister of finance, has issued a statement pointing out that British Columbia has reduced the interest rate on its debt below that of all Canadian provinces with the exception of Quebec.

Mr. Jones' statement was a sequel to assertions by W. J. Barrett-Lennard, secretary of the Kidd committee, that British Columbia should undertake a further reduction of its interest rates.

The finance department immediately issued figures showing that British Columbia's average interest rate had been reduced from 5.26 to 4.79 in the last ten years. The existing average is about the same amount which Federal Government loans are now yielding.

Wheat and Flour Exports Approach Record High

Exports of wheat and wheat flour, the latter converted to bushels, in August, September and October, 1932, amounted to 90,955,785 bushels as compared with exports of 52,837,457 bushels for the same three months of last year.

Not only have Canadian exports for the August-October period exceeded exports for the same months last year but have been only exceeded once in the past decade, the same months considered. The occasion when August-September exports exceeded the total of the past three months was in the first quarter of 1929, a year when Canadian production reached a record high level. In that year the three months export was 109,102,105 bushels.

New Books

"The Theory of Wages"

This is an economist's book for economists. The author, J. R. Hicks, M.A., lecturer in economics, at the famed London School of Economics states his object to be "a restatement of the theory of wages in a form which shall be reasonably abreast of modern economic knowledge." The treatment is based on the marginal productivity theory, although that theory is stated in rather a new way, designed to facilitate its use in realistic study of the labor market. This is followed by a more general study of the working of the labor market under competitive conditions and by a theory of the secular forces governing the general level of wages.

The second part of the book deals with the regulation of wages. There is a chapter on the theory of industrial disputes, and one on the economic forces which have facilitated the growth of trade union power in England. The last chapters contain a detailed analysis of the effects of wage-regulation on unemployment, including the distribution of unemployment between industries, and the prospects of a reduction in unemployment through an increase in productivity.

"The Theory of Wages" is published by the MacMillan Co. of Canada, Toronto, at $2.50.

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TORONTO, NOV. 12, 1932

C. N. R. HEADS LEARN ABOUT POLITICS

SOME very significant revelations have come out of the evidence given in camera before the Duff railway commission and now made available. It may be questioned if it is thoroughly fair for the government to make public evidence which various railway men may have had reason to believe they were giving in private and for the guidance of the commissioners. But the public does not know what assurances were given to the witnesses and therefore can not judge finally as to the propriety of publication. In any event the frankness of the witnesses is refreshing and suggests that they thought they were speaking their minds privately.

One of the most striking facts revealed is that Canadian National Railways executives do not believe in public ownership of railways.

Gerard Ruel, K.C., until recently vice-president of the road, said "public ownership is an ideal: but it never functions as public ownership; it deteriorates into government ownership." When Sir Joseph Flavelle added ". . .and political ownership." Mr. Ruel hastened to say "That is the same thing."

He admitted that "public ownership" was responsible for the $4,500,000 hotel fiasco in Saskatoon; he admitted the hotel in Vancouver was not worth finishing; he admitted that public ownership prevented a $36,000,000 wage saving on the C. N. R.

Mr. Ruel was an illuminating witness. He made it clear that under public ownership the government railways have reeked with waste, extravagance and inefficiency which could not be eliminated because of political pressure.

S. J. Hungerford, now acting-president of the Canadian National Railways, is another C. N. R. leader who has seen enough of political ownership to be thoroughly sold on private ownership. He was more guarded in his comments than Mr. Ruel but, in his evidence before the Duff Commission, definitely favored private ownership.

These comments by Canadian National Railway men are important for all citizens to digest and understand. It is not sufficiently realized that the railway problem in Canada is the result of politics—both in political guarantees of unsound promotions and political operation of them after construction.

It is little wonder that today the great financial racketeers are supporting public ownership through dummy politicians or subsidized papers while outwardly professing faith in individualistic principles. Public ownership enables them to make huge profits on financing, construction, etc., of a degree that would be difficult to obtain in private business and it also provides an escape for them when their private promotions go bad and a rich and improvident customer for them is desired.

EMPIRE PLAN FOR MILLING

STIMULATED by success which has attended rationalization of the British milling industry and also in part by the results of the Ottawa Conference, Norman Vernon in the columns of an English milling journal has suggested rationalization of the whole milling industry in the British Empire. The plan is primarily directed toward Canada and Australia whose milling industries are both suffering from over expansion.

In propounding this bold bit of idealism Mr. Vernon is inclined to overlook certain fundamentals. He admits certain difficulties but one wonders why he should leap at such a broad plan when there are so many preliminary obstacles to be cleared. Empire rationalization, it would seem, must be predicated on domestic rationalization and it is at this first step that Canadian millers have faltered. Efforts have been made more than once to draw together the different interests in the flour milling industry in Canada but so far they have proven fruitless.

Individualists that they are, Canadian millers have chosen to continue to fight for domestic and export business with plants operating at a low rate of capacity rather than adopt a more co-operative attitude. Eventually it may be expected they will straighten out some of their vexed problems; until that time comes the question of imperial rationalization is likely to remain as a nebulous prospect for the solution of present difficulties.

CHEAPER CIGARETTES

CHEAPER cigarettes resulting from the proposed reduction in excise tax from $6 to $4 a thousand will provide an interesting medium for viewing the effects of reduced taxation on sales of a commodity. Cigarettes have become one of the greatest factors in the community's daily purchases; over three billion have already been sold in Canada this year. To many smokers they are regarded as a virtual necessity, but unlike food and clothing they can be dispensed with in times of exigency.

The result has been that many have turned to cut tobacco with a view to reducing their smoking costs. Sales of ready-made cigarettes have declined by 20 per cent from last year; government revenues, which benefit to the extent of over 15 cents on every 25 cent package sold, have declined by more than $4,000,000 on this count alone.

Popularity, and ubiquity of cigarettes therefore constitute excellent reasons why they should provide a yardstick with which to measure the results obtained from reducing taxation on them. Manufacturers will pass on the reduction to the consumer; how the consumer will behave remains to be seen.

NOT PROVED YET

THE Manitoba Free Press interprets the decision of the enquiry court in the Bright Fan case to mean that the reputation of the Hudson Bay route need not suffer in any degree as a result of the sinking of this vessel.

The editor of the Free Press wants to know if The Financial Post and other Eastern publications will have the grace and the decency to make appropriate amends for their recent onslaughts on the Hudson Bay route, following the sinking of the vessel in the straits.

So far as The Financial Post is concerned, we do not require the sinking of the Bright Fan to convince us that Canada has no return yet in sight on the $50,000,000 it has spent on the development of the Hudson Bay route. That being the case, the decision of the Board of Enquiry that an apprentice boy was not sufficiently sharp-eyed to see an iceberg, when the boat was off its course, is hardly likely to make us feel that Canada has got its money's worth of the $50,000,000 that was spent.

WHEAT POOLS COME TO LAST PHASE

IN CANADA today there are wheat pools but no wheat pooling. This is the last phase of the glamorous but unsound wheat pool venture as it is seen by Prof. James E. Boyle, of Cornell University, long a critic of the western pools and now vindicated in his criticisms by the actual results.

Writing in Barron's, Prof. Boyle says:

> "Wheat-pooling in Canada has failed and gone into the discard for various reasons. Based on the false dogma of 'orderly marketing,' pooling was built up on a now discredited philosophy of marketing. It is now generally accepted that dumping wheat on the domestic market has no visible effect on price. The slogan 'orderly marketing,' put into circulation some 12 or 13 years ago, is now recognized as a mere high-sounding name for speculation by amateurs."

Today the wheat pools handle and market grain exactly as does any other grain elevator company but there is no pool. Of the three remnants of the former pools Prof. Boyle says:

> "If wheat prices remain low for a year or two longer, we will certainly see new marketing schemes proposed by the Canadian farmers. In fact, already two plans are being advocated with considerable force; one plan calls for a government wheat board to take over the entire job of marketing Canada's wheat crop; the other plan asks for a federal law creating a 100% compulsory wheat pool for the three prairie provinces. In the light of past experience we know that either one of these plans would be a serious step backward.
>
> "But what of the three existing pools? Although they do no pooling, they do market about one-third of Canada's wheat. They are going concerns. They have a great emotional value, because so many farmers have fought and sacrificed for the pool name and the pooling principle. These pools also have a strong educational value, because in them some 140,000 farmers have learned that wheat is a world commodity and wheat price control is not possible even though vast quantities of wheat be withheld from the market. These pools are also an asset to the farmers because of the strong competition which they furnish for the regular grain dealers. This competition is an assurance that only those grain companies will survive which furnish the maximum of service at a fair price. It is likely that the name 'pool' will linger long years after the practice of pooling is dead."

The pools, run as line elevator companies, may indeed survive and may be as prosperous as was the old Saskatchewan "Co-op.," owned by the farmers, run by business men. But this will not satisfy the dreamers, the fanatics and the politicians. The farmers and the grain companies will have to be on guard against further attempts to monkey with the marketing machinery. Their best defense against such experimental monstrosities will be good service and public education.

THE EVEN FLOW OF BANK PROFITS

SOON the annual statements of the Canadian chartered banks will begin to make their appearance. Will any one of them present a profit and loss statement revealing a loss on the year's operations? It may be taken for granted that nothing of the kind will happen and that there will be only a moderate decline in earnings all around. From the outward aspects of the banks' balance sheets, the Vancouver Province will no doubt be justified in its remark that:

> "While many Canadian businesses are in hard circumstances, while some have reduced their dividends and others have suspended them entirely and still others are in the red ink, the banks of the Dominion are in the clear and go on making profits as usual. For this, they are being criticized a good deal. But the critics of the banks forget what the banks themselves are careful to remember, that the banks are custodians of other people's money rather than of their own—that they are trustees, in fact—and that there is laid on them an additional obligation to be watchful and canny in their dealings. The fact that the banks are still earning fat dividends may be galling to some, but it is a source of comfort to a good many hundreds of thousands of Canadians whose billions of dollars of savings are in the banks' keeping. As long as the banks continue earning their dividends, there is evidence that the deposits lodged with them are not in jeopardy.
>
> "The Canadian banks appear to have the advantage of standing above the wash of depression. Other financial and business structures along the shore may be wrecked or swept away by the high seas blown up by the economic storm. But the banks remain secure."

The strength of Canadian banks in the current depression is one of the chief causes for gratification that Canadians have had. There have been no bank failures and none are anticipated. Yet to assume that the real gains or losses of the banks in any one year are adequately revealed in their profit and loss accounts or in their financial statements is to demonstrate a naivete in finance that we do not charge to the Vancouver Province because the editor of that paper probably knows full well that the banks have suffered heavy losses during the depression just as they made much larger profits in the good years than their accounts ever revealed.

The gentle art of casting up bank totals that reflect in only a moderate way the ebb and flow of the economic tide is one to which the people have become so accustomed in Canada that it would be suicidal for any bank to depart from it in a year like this. No form of business so sensitive to the affairs of all other businesses can fail to make enormous gains or suffer serious losses as business rises and falls. Yet the banks' long developed habit of conservatism in the presentation of accounts has made the public so suspicious of substantial deviations from the normal trend that the banks found it necessary to act together in cutting out bonuses and in reducing dividends in order that distrust might not be aroused regarding any one institution taking action by itself.

Perhaps the banks are doing the only thing they can properly do in conserving their profits in good times in order to have inside reserves to draw upon in bad times but if one result of their policy is to lead zealous reformers into the belief that finance does not feel the brunt of depression the banks will simply have to grin and bear it.

EYES OF THE PUBLIC

CHARTERED accountants are the eyes of the public, said John T. Flynn, widely-known writer on business subjects, in an address to the certified public accountants of New York last week.

It is an apt designation. In the use of such loosely constructed phrases as "public business" and "private business" executives are apt to lose sight of the fact that big business can never be entirely private. Large private businesses have important obligations to their customers, to their shareholders, and to the general public. To meet their obligations they must take the public into their confidence on many matters of policy that might at first glance appear to be nobody's affair but their own.

To Mr. Flynn "rugged individualism" does not give to the large corporation the right to complete secrecy in its affairs. In his opinion, the men and women who supply the labor and the money for great businesses are entitled to know what is going on behind the walls. The greatest regulator of the public interest is publicity.

Many people find it difficult to understand at times why The Financial Post, a paper that stands for individualism and private initiative in the nation's business should so frequently criticize the actions of large private concerns. Mr. Flynn has made the distinction that The Post has always made. Private enterprise does not mean complete privacy in matters of public policy. The affairs of any large corporation touch public policy in large measure. If they did not touch the interests of the mass of the citizens they would at least touch those of the investors and workers involved.

In protecting private enterprises against the mistakes of short-sighted executives, in giving complete publicity to their financial affairs and their method of treating their shareholders and their workers, the public accountants of Canada can provide private citizens with a weapon against political attack that is not fully appreciated by some executives and business leaders.

But fully to safeguard and fulfil such a public trust the accountants must be prepared to interpret their rôle as that of an independent link between corporation and public and to insist upon complete revelation in financial statements of all facts of public interest.

No financial statement is any more honest than the auditor who signs it.

It is said that two of Washington's monuments could be laid inside the new French steamer Normandie. We'd be glad to let them use the City Hall in Toronto and the Parliament Buildings in Toronto if they want to sink the boat.

POST-scripts

FLOTATION of the recent Dominion of Canada bond issue brings to mind an incident which occurred some 15 years ago. It was during a Victory Bond campaign and the speaker had just concluded an impassioned address on the virtues of subscribing to the government loan. After going into details of the issue, he mopped his brow, took a copious draught of water and asked the audience if there were any points on which they were not quite clear. A farmer at the back of the hall rose to his feet. "I'd like to thank the speaker for having explained everything so fully," he said, "but there's one thing I'd like to know."

"Yes?" said the speaker helpfully.

"It's just this," replied the farmer. "When do we have to pay the interest on this here loan?"

GIVE credit to this hotel manager. His was one of the gayer summer resorts with jazz bands playing far into the night and patrons caring little for sleep. That was in 1928. Came the break in the market. Money was tight and jazz bands played to empty ball rooms. Harrassed business men had neither inclination nor money to spend on merriment. The hotel manager went into a huddle with himself. Next morning the band was paid off; 300 telegrams were despatched to a picked list of brokers. The gist of the wire was "You need a rest and fresh air. We can give you both." In the next three months the hotel did record business despite the fact that it was an off-peak season. Old timers say they wouldn't recognize the place now but the manager doesn't care. It's booked up full for the next two months.

LETTERS of Andrew Carnegie, as published in Burton J. Hendrick's new life of the great industrial leader, show him to have been a brilliant epigrammist.

Carnegie believed that Race was the deciding factor in international affairs. He believed that the influence of Race would eventually bring the United States, Canada and Great Britain together as one nation. Lord Morley said to him once: "Look at Cain and Abel, brothers fighting!" Carnegie shot back: "That has no bearing; the question is what Cain and Abel would have done had you appeared to take the part of either."

On another occasion Carnegie was emphasizing the fact that he was not a "peace at any price" man. He said: "I like the revised version of the Scripture: 'If a man strike you on one cheek, turn unto him the other also, but if he strikes you on that, go for him.'"

In the Mail

Would Equalize Prices

Editor, The Financial Post:

Conditions are improving so slowly, I believe the time has come when something should be done in Canada to put prices of farm products and manufactured goods on a more even basis.

The Empire conference is bound to help in time, but we should do something in the meantime to help the home price for our agricultural key products In France the farmers are getting a dollar a bushel for their wheat, and fair prices for other farm products consumed in France, which are adjusted and set by the French Government. True, they have placed high tariffs on imported manufactured articles, wheat and other food products, which as in Canada, forces up domestic prices for manufactured articles, but which is offset by fair prices set by the government on home farm production sold and consumed in France. In this way the French nation equalizes prices for farm and manufactured goods and allows their country to function on a fair basis.

Our surplus export production would have to be sold at world prices, but in the meantime, our farmers would have the benefit of fair prices in the home market to help meet their pressing yearly obligations. This would make more purchasing power at home and would call many idle men back to work in our factories.

This would greatly improve the confidence of our people in production and finance and would soon restore normal values and dividends that have been deferred for the lack of purchasing power by the farmer and factory employees.

PRUDENCE.

St. Thomas,
Nov. 1, 1932.

As Others See Us

Nationalized Radio a Burden

The Evening Telegram, Toronto.—The Financial Post views with justifiable alarm the prospect of putting a business with an annual turnover of more than a million dollars under the direction of three men who, whatever their other qualities, have no demonstrated executive ability. It points out that if the Canadian Broadcasting Commission cuts its garment according to its cloth it is going to have a very narrow margin to apply to the vast improvements which have been heralded as the natural consequence of the nationalization of radio.

From the figures compiled by The Post it is apparent that the promised curtailment of advertising cannot be carried into effect nor can there be any building of 50,000-watt stations for many years to come unless radio fees are materially increased or money is taken out of the Dominion treasury for the purpose. Neither alternative is attractive.

Parliament was stampeded into injudicious action in the nationalization of radio for which there was no general demand from the public. The public will hold the government responsible if the nationalized system is allowed to become a sinkhole for public funds or an unnecessary burden on the individual purse.

A Startling Charge

The Globe, Toronto. — Has The Financial Post suggested the real reason why the Minister of Justice is deaf to the wide call for a public investigation of this tragic affair at Portsmouth and Collins Bay?

Is Hon Mr. Guthrie's studied silence due to fear of revealing matters and persons connected with the brokerage scandals which have not yet come to light? Is he shielding "favored ones in society" for whose "illicit gains" terms were served by "scapegoats, tools, chestnut-pulling monkeys"?

Usually when a politician declines to shed light on a public affair for which there is general demand, something is wrong. No one can accuse The Financial Post of being sensational for political reasons or for the sensation itself. Moreover, its reputation as an observer in the financial and business world gives undoubted weight to its conclusions. The startling nature of this editorial comment from its columns will carry weight, therefore, with the general public, if not with the Minister of Justice.

In the entire widespread demand for a public investigation into affairs at Portsmouth Penitentiary and Collins Bay with a view to learning why wealthy and influential malefactors were accorded "preferred" treatment, the Minister can find nothing approaching the voice of sob-sisterhood. So far as The Globe has observed, there is no disposition in responsible circles to have the stern meaning of corrective prison life modified. Nobody is asking why the deference shown the selected list of brokers was not extended to the general run of prison inmates.

The public, which is paying the bill—which has learned to believe that justice is meted out in this country to rich and poor alike, which has observed Ministers of Justice of both parties living up zealously to this principle—is astonished and chagrined at a manifest departure from the rule without the slightest attempt at explanation.

When these brokers were sentenced there was more than a hint in the air that they were "taking the fall" for higher-ups. The Financial Post has returned to this aspect of the case. Is the Minister of Justice content to leave it at that?

Cost of National Radio

Ottawa Journal. — The Financial Post has been giving some study to the financial aspect of national radio broadcasting in Canada, and arrives—as The Journal did last year—at the conclusion that it is likely to prove a very expensive proposition indeed before we achieve the objective of a string of 50,000-watt stations across the Dominion.

It is recalled that advocates of public ownership of broadcasting facilities gave assurance, when the bill was before Parliament, that it could be financed out of the revenue from receiver licenses. If there are 700,000 receivers in Canada, and the two dollar fee is collected for every one of them, the revenue is $1,400,000 less certain commissions for collection, and as The Post reckons it the Commission's income "will not leave much scope for improvement of broadcasting and none whatever for carrying out the grandiose scheme of capital investment or expropriation contained in the report." The Commission could acquire some stations at small cost. It could take over the stations owned by the Canadian National Railways, "but this would be merely touching the fringe of the problem." It would cost, says The Post, $300,000 to erect a station of 50,000 watts, and an equal amount each year for its efficient operation.

So The Post believes the Radio Commission "will discover very early in the game, that the financial arrangements made for it are totally inadequate."

No doubt the Radio Commission at first will move slowly and cautiously. That is the way of newly-constituted spending bodies. But also they have an uncomfortable habit of acquiring momentum as they go along, developing costly needs and expensive demands.

Charging Canal Tolls

Port Arthur, Ont., News-Chronicle.—An article on the operation of the Suez canal which appears in The Financial Post might be applied to the suggestion which this paper has made that the day may be coming when a toll system will be found advisable for the St. Lawrence canal system, at least affecting vessels of those nations which bear no portion of the development cost. The Financial Post article points out that with a system of tolls the Suez has been made a pronounced financial success. The canal is owned by a French company in which the British Government is a large stockholder. The British investment in stock, made in Disraeli's day, has been returned eight times over.

"Stop Me If You Have Heard This One"

Ghoughphtheightteaux is not Greek or Hindustani, it's just the good old word potato, after Professor J. G. H. Buck, ardent advocate of reformed spelling, has demonstrated the inconsistencies of the English language.

He demonstrated it this way:

In the word hiccough, gh is substituted for p; in dough, there is ough for the o sound; in phthysic, there is phth for t; in neigh, eigh for a; in gazette, tte for t; and in beaux, eaux for o.

"Now," says the professor, "substitute these combinations for the simple sounds in the word potato, and you find it would go like this: ghoughphtheightteaux."

Warns Canada Against Central Bank Dangers

(An Editorial from American Banker, New York)

One of the liveliest topics of controversy in Canada at the present time is the agitation for a central bank for the Dominion.

It is not departing from the facts to say that it is the desire for financial independence for the country which prompts most advocates of this measure, and that the wish for financial independence is dominated by and with the idea that probably credit can be made easier if Canada has its own central bank.

Canada is not a country of easy credits. The tradition of self-defense and self-solvency has made the Canadian branch banking systems completely "hard-boiled" in the matter of extension of loans and their collection. Having no illusion of banking solvency to be achieved through pooled reserves or managed currency, they have avoided the pitfalls of credit looseness, into which it is so easy to fall once the responsibility for inflation and deflation is assumedly passed over to a central bank.

The hard-boiled policy is naturally obnoxious to many Canadians, who feel that the lack of bank credit is holding back the recovery of prosperity. The illusion that easier credits are the panacea for our troubles we have always with us

The central bank, it is argued in Canada, would serve as the government bank, act as a bank of deposit and discount for the banks of the Dominion, pooling all or part of their reserves; issue legal currency; manage the Dominion's gold reserves; control credit through its discount rate; and centralize international exchange settlements

That these services would accrue to the benefit of Canadian business through making the Dominion's banking system more flexible and easier, is the basic hope of proponents of the central bank for Canada idea Popular support for the central bank idea, however, focuses on the thought that the central bank would make the Canadian banking system more amenable to popular conception of financial policy Many Canadians resent the limitations upon bank loans inherent in the traditional safety-first policy of Canadian banking. That's human and historical wherever bankers have learned to say "No." Certainly, if the central bank idea gains enough support to bring it into being in Canada, it will be because it carries the hope that it will somehow make monetary conditions easier in the Dominion. That is the popular appeal.

Governmental banking and credit policy always works in the direction of easier credits, sooner or later, whether it be in Canada, the United States or in China. The bank which is a creature of a government and amenable to governmental advice and control never becomes responsible for deflation after a first experience in learning how unpopular credit contraction is. The very enactment of such a bank usually comes as a revolt against sound but unpopular deflationary and tight credit policies insisted upon by private bankers.

Canada is expressing such a revolt in the growth of popular sentiment for a central bank. Whether Canadian common sense will yield to the injection of popularism into its banking system through the creation of a government bank remains yet to be seen.

If the illusion of more prosperity by easier credits lures the Canadian people into the government central bank idea, we venture to repeat for Canada what Charles Dawes told the United States in 1912 when the United States revolted against its private banking system and, under a great popularist leader, created a Reserve System responsible to the elective government of the country; that it will bring about the greatest expansion of credit and unexpected panic of deflation which the country has ever had. It took only 20 years for this result to come true in the United States.

If Canada wants to create a really effective central bank, it should make possible an institution controlled and capitalized entirely by the bankers of the country, and executing their policies when necessary in the face of any popular cry for credit inflation. However, it is not likely that the Canadian people would create such an instrument of additional power for their bankers. There is no point to popular agitation for a central bank if it does not carry more promise of a boon for the people than such a bankers' bank.

English Students Come to Canada

Almost as many students from England have enrolled in the faculty of agriculture at Macdonald College this year as have signed up from Quebec province. A report issued by McGill University shows that 21 students, or a quarter of the total, have come from various parts of England, as against 28 from Quebec province.

Montreal Junior Board Grows

According to the first issue of "The Bulletin" — official organ of the Montreal Junior Board of Trade—the Board now has a membership of 593, representing 309 Montreal firms.

Investment Opportunities of Today

Investors can now employ their funds for a long period at fixed rates which are high compared with rates of recent years.

Our services are available to investors in any part of Canada. Address our nearest office.

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Security Guaranteed
Yield 5.05%

Province of Ontario Guaranteeing Hydro Electric Power Commission — This bond pays 3½% from Oct. 1, 1932, for five years: 4% for the next five years, and 5% for the final ten years.
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85 Years Ago

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The Canada Life Assurance Company

THROUGH the ever changing conditions of 85 years—wars, epidemics, periods of financial stringency, panics and depressions, the Canada Life has steadily progressed.

The present period of financial readjustment dating from 1929 found this Company, as in the past, fully equipped to take care of the requirements of its policyholders and their beneficiaries.

During the past twelve months not only have all demands been taken care of from the ample resources of the Company, but the already large holdings of Government and Municipal bonds have been increased by over 20%.

The first essential of life insurance is the building and the maintenance at all times of ample resources behind the policy contracts to provide against unforeseen eventualities. The record of Canada's oldest life insurance company over 85 years is the best evidence of its strict adherence to the principles of safety and stability at all times.

Policyholders and beneficiaries of the Canada Life remain confident and secure, during periodic financial disturbances, in the knowledge that the Company's well diversified list of investments takes care of such situations.

Canada Life Assets

The following table shows the diversification of the Company's assets as at the 30th September, 1932:

	%
Cash, Government and Municipal Bonds	26.4
Public Utility Bonds	10.7
Other Corporation Bonds	5.9
Preferred Stocks	2.7
Stocks of Canadian Banks and Trust Co's	1.6
Other Common Stocks	0.2
Mortgages	28.6
Policy Loans	18.7
Real Estate. (This includes the Company's buildings in Toronto, Montreal, Calgary, Regina, Ottawa, Halifax and London, Eng.)	5.2
	100.0%

Head Office: Toronto, Ont.

The Canada Life is Canada's Oldest Life Assurance Company
Established in 1847
Assets over $200,000,000

Business Conditions in Canada

The Week in Business

Exchange and Wheat React to New Policy

Wheat Movement at High Level

Other Indices Show Little Change

A RAPID downswing of 4 points in the price of Canadian dollars in New York over the past week-end and a sharp gain in wheat prices are the outstanding events of the current business outlook in Canada. The rise in wheat prices started in Winnipeg and in the trade is directly attributed to the weakness in the Canadian dollar which gives the Canadian seller an added advantage in the British market. It is an interesting commentary on the higher prices which jumped 4 cents on Monday, Nov. 7 for a net gain of 2 points, that for the first time in weeks, export demand actually followed the price jump instead of lagging behind when prices rose. Purchases of Canadian wheat reached 1,000,000 bushels for the day.

Chief reason for the decline in the price of the Canadian dollar and the concomitant rise in wheat prices is laid at the door of the new monetary policy which Ottawa is reported to have inaugurated during the past week and which has found expression for the time being in the mild form of inflation achieved by the rediscounting of a $35,000,000 loan of two-year treasury notes with the Treasury Board at Ottawa. As considerable space is devoted to a discussion of this important step elsewhere in this issue, no further comment will be made here except to stress the fundamental importance of such a step as heralding, firstly, a definite monetary policy on the part of the federal government and secondly, as indicating a desire on the part of the government to steer a financial course more nearly in line with the pound sterling, than has hitherto been the case. Whatever may be the results of this new policy, its introduction by the government at this time must be considered a matter of primary importance to Canadian business and constitutes a factor which must be closely watched in future.

* * *

OF THE week's records, the most encouraging is the release of wheat export figures for October which reveal that in the three months ending October 31, Canada has exported 91,000,000 bushels of wheat of which nearly half, or 42,572,000 bushels were exported in October. The ninety-one million bushel figure has only been exceeded once in the past ten years, namely 1928. October exports were the largest in five years and double the 1931 figure. This is probably only a quarter of the amount of wheat Canada would need to sell to materially reduce her heavy carryover which totalled 130,000,000 bushels at the end of the last crop year, but nevertheless represents an important step in the right direction at a time when the wheat export business of most countries has been abnormally quiet.

Other records of the week show little of definite importance. Retail sales have been more than seasonally better for September according to the D. B. S. record but for many reasons this index is not yet as reliable an indicator as could be wished for. Carloadings took a further slump as wheat movement declined. Merchandising loadings are holding well, however. Wholesale prices were lower as might have been expected, all groups except chemicals sharing in the decline.

* * *

THE general outlook is perhaps aptly described in the current business review of the Bank of Commerce which says:

> "The seasonal operations of Canadian industry are now more irregular than usual, for while a number of secondary industries are busily engaged, there has been no steady rise in those of primary importance. The activity so far in evidence in the secondary industries is the result of the customary autumn demand, of some switching of business and filling of orders consequent upon the decisions of the Ottawa Conference, and of a slight improvement in the purchasing power of the Western farmer. Moreover, any satisfaction to be derived from the abnormally large exports of grain is tempered by the fact that these have been made at extremely low prices. Yet an increase in merchandise car loadings in recent weeks indicates that the agricultural community has, at least temporarily, a volume of new crops more than sufficient to offset the lower prices which these command."

BUSINESS OUTLOOK LOOKING BETTER IN SOUTH ALBERTA

Many Encouraging Factors Seen as Winter Draws Near

CUT WHEAT ACREAGE

Sugar Plant, Coal Mines and Flour Mills Busy — Building Fairly Active

From Our Own Correspondent

LETHBRIDGE. — Southern Alberta enters the winter with a number of encouraging factors contributnig to its business welfare despite the collapse of wheat. The temper of the farmers is courageous and hopeful and every effort is being made to meet obligations as best he can with wheat netting him around 30 cents a bushel.

Enough wheat is being sold to meet in some degree pressing accounts such as taxes, the remainder being held in store on the hope of an advance. Meanwhile, farmers are seriously talking a reduction in acreage next spring, a movement likely to spread. The smaller acreage of summer fallow prepared for crop indicates this "cut production" trend.

Beet Plant Busy

The sugar industry is proving a stabilizing factor in the irrigated areas surrounding this city. The Raymond factory of Canadian Sugar Factories, Ltd., subsidiary of the B. C. Sugar Refining Company, is operating steadily and will be probably until the New Year. The output will reach 43,000,000 pounds of sugar or more. With a payroll of roughly $1,000 a day the plant itself is the means of a steady distribution of new money in this territory, while beet growers are receiving cheques periodically.

Within the past two weeks farmers have received two payments, one the final payment for 1931 beets of 35 cents a ton bringing the total price for the 1931 crop to $6.45 a ton. The initial contract price was $5.50. On November 1 the growers received another payment of $300,000 covering beets delivered up to and including October 15. Thus close to half a million dollars was put into circulation by the sugar company in a couple of weeks. This had an appreciable effect on trade generally.

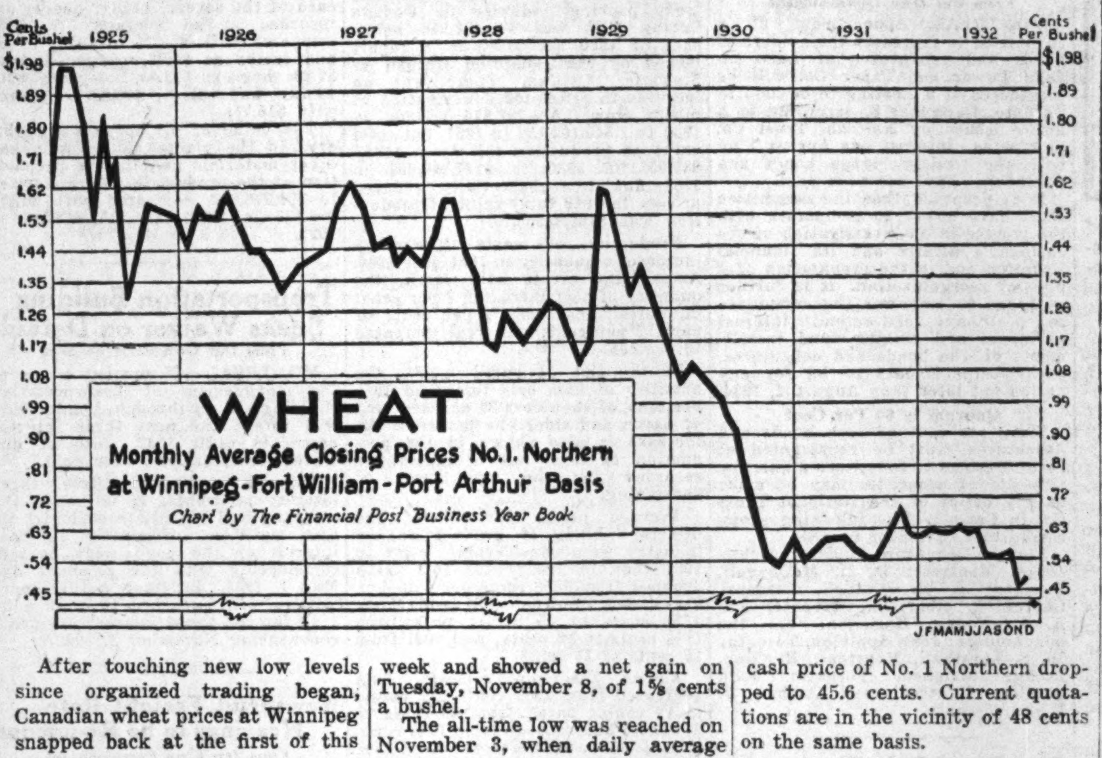
Building trades are fairly active with a substantial number of new residences being built and with plans out and bids called for, for a new Elks' club house to cost $10,000. While no large big building jobs are contemplated carpenters and bricklayers will be kept working up to Christmas, at least.

Coal Mines Busy

Coal mines are busy, some working steady and others four and five days a week. Domestic coal from this field is moving briskly to the prairie provinces and a substantial volume of the output of the Cadillac Coal Company mine at Shaughnessy (this property is owned by the Mortimer Davis interests, of Montreal) is going to Spokane, Wash. Taber field, east of here, is livelier than it has been for many years, half a dozen mines being busy. In the Crow's Nest Pass, conditions are tranquil with grievances settled and new contracts signed. An interesting new development in this steam coal area is the revival of the once-prosperous coking industry by International Coal and Coke Co., of Coleman. After a series of tests an order for 70,000 tons of coke has been placed by the Consolidated Mining & Smelting Company, of Trail. Considerable money is being spent in putting the coke ovens in condition to take care of this order.

Flour mills here, also, the alfalfa meal mills, are working steadily. For the first time in many years the Ellison Milling and Elevator Co. is reopening its trade in flour and sacked wheat with Hong Kong, also its flour trade with Glasgow and Liverpool. Alfalfa meal, a livestock feed product, is now finding a steady market overseas going via Vancouver and the Panama canal.

Wheat Prices Revive after Drastic Slump



After touching new low levels since organized trading began, Canadian wheat prices at Winnipeg snapped back at the first of this week and showed a net gain on Tuesday, November 8, of 1⅝ cents a bushel.

The all-time low was reached on November 3, when daily average cash price of No. 1 Northern dropped to 45.6 cents. Current quotations are in the vicinity of 48 cents on the same basis.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Canada Rice Mills, Ltd., has established a new plant on Lulu Island, Vancouver, consisting of a wharf, mill, boiler house and warehouse, at a cost of $150,000. The plant will husk, clean, polish and mill rice for domestic and export trade. This is the first plant established in the Lulu Island branch of the C. N. R.

Shell Oil Co. has let a contract for construction for a yard warehouse at Vancouver to cost $10,000 to Carter-Halls-Aldinger Co. Ltd.

Columbia Grain Elevator Co. is building extensions to its Vancouver Wall St. elevator. The work involves expenditures of $30,000 and will add storage facilities for an extra 150,000 bushels of grain.

Business Briefs

Car Loadings for the week ended Oct. 29 were 46,693 cars compared with 49,875 cars in the previous week and 61,836 cars in the week ended Oct. 24, 1931. Merchandise car loadings were only 47 cars below the previous week at 13,607, but were 1,369 cars below the corresponding 1931 week. Grain car loadings again declined, being 9,499 cars compared with 9,842 cars in the previous week and 14,533 cars in the corresponding 1931 week.

Wheat Stocks in Canada and the United States on Oct. 28 amounted to 236,531,056 bus. compared with 232,065,456 bus. in the previous week, and 163,132,738 bus. a year ago. Export clearances for the week ended Oct. 28 were 5,279,666 bus. compared with 7,060,838 bus. in the previous week and 3,753,221 bus. for the corresponding 1931 week.

Primary Wheat Movement to country elevators for the first twelve weeks of the present crop year was 199,358,110 bus. compared with 117,386,710 bus. last year. Marketings of wheat in the Prairie Provinces up to October 21 were as follows, figures in brackets being those of last year: Manitoba 25,684,731 (15,613,976), Saskatchewan 110,788,509 (59,421,546). Alberta 62,884,870 (42,351,188).

Manufacturing Plants now number over 4,000 in the four Western provinces, and employ over 90,000 persons. New capital to the extent of $300,000,000 is said to have been invested in these enterprises during the last ten years.

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Nov. 5	Previous week	Last year
Cattle (cwt.) (Toronto)	$4.75	$4.65	$6.00
Copper, lb.	.0525	.0525	.07
Cotton, lb.	.0645	.0620	.0670
Rubber, lb.	.0345	.0359	.0496
Silk, lb.	1.62½	1.67½	2.25
Sugar, raw, lb.	.0310	.0304	.0338
Wheat (Man.) bu.	.48	.46⅝	.73¼
Hides, lb.	.06½	.06½	.08
Coffee, lb.	.08¼	.08⅝	.06

Weekly Indices*

N.Y. Annalist		89.6	100.6
Fisher's	60.2	60.6	†72.6
N. Y. Journal of Commerce	57.3	57.1	65.3
Crumps (Brit.)	62.5	62.5	†64.9

*N. Y. Annalist base, 1913, others 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Last year
Canada (D.B.S.) w'sale (Sept.)	66.9	66.8	69.8
Retail (Aug.)	81.3	81.5	89.6
U. S. Labor (Sept.)	65.3	65.2	71.2
Gt. Brit. (Sept.)	68.9	67.2	67.0

---

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15. New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Week Sees Big Events In Ontario Tobacco Arena

Combines Act Invoked—Excise Tax Cut—Provincial Government Stands Behind Growers to Market Surplus

Official government investigators, acting under authority of the Federal Combines Investigation Act, will shortly be delving into all phases of the marketing of the Ontario tobacco crop.

Decision to invoke the Combines Act came after representations had been made to the government by the municipal council of Tillsonburg, Ont., regarding the alleged existence of a buying combine among buyers of this year's flue-cured crop in the "new" belt of Elgin, Oxford and Norfolk counties. Hon. A. Wesley Gordon, Minister of Labor, notified the Tillsonburg Council that immediate steps and prompt action would be taken if the Combines Act were invoked, whereupon a complaint was lodged at Ottawa, signed by Mayor Sutch and other members of the Tillsonburg body. Facilities of the Combines Act are available upon the formal application of any six persons that need for such an investigation exists.

Buying Combine Alleged

Official wording of the complaint is as follows:

> "We the undersigned are of the opinion that a combine exists and hereby apply to you for an investigation of such combine. We are of the opinion that manufacturers and dealers in raw tobacco in the district are combining for the purpose of regulating, controlling, preventing and lessening competition in, or substantially controlling the purchase and fixing the prices for, the purchase of raw tobacco as grown in the counties of Norfolk, Oxford and Elgin in the Province of Ontario, as more particularly set out in our declarations hereto attached, which combine will operate to the detriment of the interest of the public and the producers and others interested in growing tobacco in this district.
>
> "We believe that there is a tacit contract or agreement or combination among the purchasers of tobacco as to the price they will pay to the producers, and agreeing that they will not compete with each other in the purchase of any crop from any individual grower."

Briefly the steps leading up to this demand for an investigation are that this famous "new" belt which is this year harvesting what is said to be the finest crop of bright flue-cured tobacco ever grown in Canada, has been bitterly disappointed in the prices quoted for its crop since the market "opened" two weeks ago. Last year the market opened at 30 cents a pound but due, it is said, to upset market and export conditions as a result of the fall in the price of sterling in September, 1931, prices declined rapidly and the average price for the year was roughly 20 cents. The previous year the average price had been 32 cents and the year before that, about 29 cents per pound. This year the market opened at 24 cents a pound, fell rapidly to 15 cents a pound and is currently between the 8 and 15 cent levels.

In the meantime growers have been organizing under the aegis of the provincial government and plans made whereby the government will undertake the processing and grading of the unbought surplus of this year's crop. Just how much this surplus will be is problematical but from one source The Financial Post learns that it may run about 5,000,000 lbs. or 25 per cent of this year's crop. On this basis, out of a 20,000,000 lb. crop, approximately 4,000,000, it is believed, will be bought eventually by the Imperial Tobacco; 2,000,000 lbs. by MacDonalds and between 8,000,000 and 9,000,000 pounds by British buyers. The remainder would be graded and processed under the government plan and held until a market could be found either in Canada or Great Britain. To date only about 20 per cent of the new crop, or about 4,000,000 lbs. has been sold, it is estimated.

Another important event of the past week in the tobacco world has been the lowering of the excise tax by the federal government as a result of the Ottawa conference preference agreement to Great Britain. This cut is $2 per 1,000 or 33 1/3 per cent and is in line with representations made to the government by growers and manufacturers alike. Growers asked for a 50 per cent cut which would have brought the tax down to the same level as the United States tax. They were hopeful that if such a cut were made, growers and manufacturers would benefit equally.

As the reduction is being passed on directly to cigarette consumers, the benefit to growers will probably be indirectly through increased sales which are expected to accrue as a result of lower prices.

Just what the findings of the Combines Investigation Act will reveal, it is useless to prophecy. The complaint of the growers is an obvious one, arising from low prices at a time when a fine crop is available as contrasted with a poor crop in the United States and a rapidly growing market for the Canadian product in Great Britain which should, it is felt provide a new and valuable source of competition in Canada.

Buyers Viewpoint

From the buyers point of view is the claim that Imperial Tobacco, which buys roughly 70 per cent of the crop in normal years, warned growers a year ago that they would not be in the market for a large crop this year and that it would therefore be advisable to cut acreage from 20 to 25 per cent. This advice was not heeded and acreage actually increased from 23,000 acres in 1931 to 26,000 acres this year (new belt only).

Last year Imperial reported to have bought twice as much tobacco as ordinarily is their custom, or about 12,000,000 pounds. This year, it is claimed, they are only in the market for about 4,000,000 pounds. Cigarette consumption has, of course, decreased and for the first nine months of 1932 is currently 20 per cent below the same period a year ago. New belt, flue-cured crop is used almost entirely in the manufacture of cigarettes.

As to the hoped-for stimulus from British competition, it is said that so far, while Britain is taking an increasingly larger share of Canadian crop, buyers from that country are not yet sufficiently interested in Canadian tobacco to go out into the market and bid actively. True, British buyers have been active in the district and have made careful estimates of the type of crop and so forth, but they have been apparently content to sit back and let Imperial Tobacco, the biggest buyer, make bids. So far practically no British buying has been done, it is said, in fact since the appearance of the Ontario government on the scene to assist in the formation of a growers' marketing body, selling has virtually ceased.

KITCHENER PLANTS SEASONALLY ACTIVE

Western Ontario Centres Show Little Industrial Improvement

Reports from Western Ontario points indicate little change in industrial conditions in that territory. Kitchener advices indicate that rubber manufacturers are enjoying a seasonal increase in orders, and that shoes, candy, and pork packing continue as steady lines. Radio manufacturing is also active.

Information from Brantford on local industries indicates current decreases from the 1931 scale of operations and compared with normal as follows:

Percentages of Normal

Industry:	1932	1931
Agric. implements	15	20
Textiles	90	95
Paper	85	100
Electrical	85	100
Refrigerators	30	70
Auto bodies	20	60
Sporting goods	70	85
Roofing	85	90

Winter is expected to bring further reductions in the above.

In Listowel it is reported that factories are working overtime and that there is almost no unemployment prevalent. The opposite is reported from Dundas where there is understood to be no improvement in manufacturing lines.

In London it is understood that reports to Bradstreets indicate that retail and wholesale business is well below normal although comparing well with other parts of Canada.

It is estimated that in Hamilton some 200 men, who have been unemployed for many months, have been taken back to work temporarily by several concerns. In some cases they are merely working to fill depleted stocks, and in some to complete orders received indirectly as a result of tariff revisions arising from the Imperial Economic Conference.

Imports of Raw Sugar Decline by 414,549 Cwt.

Raw sugar imported into Canada declined by 414,549 cwt. in the six months ended Sept. 30, totalling 4,940,299 cwt. valued at $7,863,695 as compared with 5,354,848 cwt. valued at $11,384,942 in the corresponding period of 1931.

Imports came from the following countries, the figures in brackets being last year's quantities in hundredweights: Barbados 848,665 (596,263), British South Africa, 770,404 (751,242), Trinidad and Tobago 679,528 (1,218,041), Jamaica 564,332 (617,053), British Guiana 552,454 (966,131), Fiji 459,850 (376,226), Cuba 416,172 (107,738), other British West Indies 267,904 (372,846), Australia 256,888 (73,485), San Domingo 124,182 (170,338), British East Africa None (205,978).

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car loadings (Oct. 29)	46,693	61,836	1,820,458	2,121,162
C.P.R. gross earn. (Oct. 31)	$ 3,528,000	$ 4,908,000	$ 103,381,000	$ 121,747,000
C.N.R. gross earn. (Oct. 31)	$ 4,409,617	$ 5,825,461	$ 121,413,877	$ 148,571,691
	Monthly			
C.P.R. net earn. (Sept.)	$ 3,722,576	$ 3,099,854	$ 10,531,870	$ 12,792,166
C.N.R. net earn. (Sept.)	$ 2,828,833	$ 1,387,081	$ 6,200,117	$ 3,565,770
Iron and Steel—				
Pig iron, tons (Sept.)	5,709	17,585	96,219	380,322
Steel, tons (Sept.)	23,139	38,390	257,843	582,855
Automobiles prod. No. (Sept.)	2,342	2,646	53,550	77,495
" exports, No. (Sept.)	1,717	787	7,942	13,044
Construction—				
Building Permits (Sept.)	$ 2,203,230	$ 10,407,999	$ 32,340,749	$ 88,602,995
Contracts (October)	$ 8,875,600	$ 28,789,200	$ 118,510,400	$ 279,582,500
Newsprint—				
Production, tons (Sept.)	150,691	178,412	1,451,168	1,687,758
Exports, tons (Sept.)	119,277	161,170	1,387,263	1,504,222
Sugar—				
Imports, raw, lbs. (Sept.)	57,911,500	71,618,900	577,924,500	611,626,900
Melt. & ship., lbs.	92,239,204	83,955,260	661,401,963	686,964,423
Manufactured, lbs.	106,613,372	96,184,968	656,614,187	674,309,089
Flour—				
Production, bbls. (Aug.)	1,272,009	1,838,287	8,406,423	9,301,068
Wheat flour exp., bbls. (Sept.)	385,113	556,565	3,534,100	4,210,968
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Sept.)	35.45	86.86	534.96	731.64
Boots & shoes, pr. (Aug.)	1,708,359	1,627,006	12,217,428	12,062,805
Petroleum, imp. crude, gal. (September)	76,913,048	96,534,568	721,878,603	765,072,912
Cotton, imp., raw, lbs. (September)	4,553,000	4,999,000	61,132,000	60,334,000
Rubber, raw, imp., lbs. (Sept.)	6,204,026	3,438,177	38,473,961	44,819,185
Coal, imports, tons (Sept.)	1,296,274	1,484,059	7,939,816	9,583,374
Gasoline sales, gals. (June)	51,174,000	55,544,000	213,420,000	230,680,000
Trade—				
Imports (September)	$ 34,504,129	$ 45,379,099	$ 348,789,473	$ 494,965,007
Exports (September)	$ 42,186,815	$ 48,991,385	$ 348,729,330	$ 439,055,660
Wheat exports, bus. (Sept.)	26,874,237	14,335,637	132,990,365	126,192,271
Labor—				
Employment Index (Oct.)	86.7	103.9	....	....
Electric Power—Output—				
M. Kilowatt hours (Sept.)	1,279,136	1,288,418	11,613,427	12,107,854
Finance—				
Failures, No. (August)	188	155	1,588	1,416
Failures, Liabilities (Aug.)	$ 2,825,097	$ 2,350,094	$ 27,023,387	$ 27,715,048
Bank debits† (Sept.)	$ 2,097,931	$ 2,450,545	$ 18,926,189	$ 23,519,655
Bond sales (Oct.)	$ 22,546,105	$ 1,048,629	$ 294,132,908	$ 387,903,879
Insurance sales (Sept.)	$ 25,207,000	$ 30,066,000	$ 306,579,000	$ 367,283,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,844,938	$ 16,191,101
New cars (August)	$ 1,022,043	$ 1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Sept. 17 to Oct. 8.
†(000's omitted).

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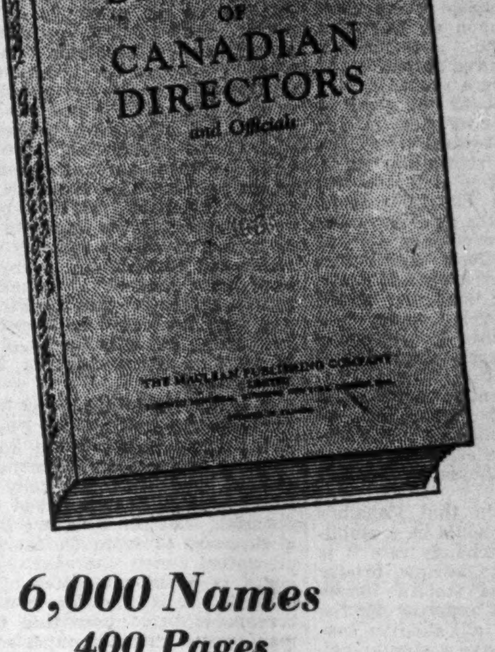
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STANLEY REALTY WOULD POSTPONE BOND INTEREST

Security Holders to Consider Proposals to Waive Defaults

From Our Own Correspondent

MONTREAL. — Bondholders of Stanley Realty Corp., owner of the Dominion Square Parking Garage, will meet November 30 to consider a proposal for modification of their rights against the company and its properties. There are outstanding $400,000 of 7 per cent first mortgage bonds, due 1945.

The plan which bondholders will consider calls for their waiving defaults in interest and sinking fund, acceptance of Canadian funds only in interest payments and the issuance of bonds in lieu of certain interest coupons.

Primarily it is proposed to waive interest payments from September 1, 1932, until March, 1934. Sinking fund will be waived until September, 1937, and payments from that date to 1945 will be made at the rate of $750 a month.

Exchange Coupons for Bonds

In return for foregoing interest payments until March, 1934, bondholders are requested to accept new bonds. These will be issued in denominations of $20 or multiples thereof for each $100 principal amount of present bonds held. The new bonds will carry interest at 7 per cent from September 1, 1934, and will mature on September 1, 1945 the same date as the original bond issue. They will rank pari passu with the present bonds and will be redeemable at par on sixty days notice. As a sinking fund on these new bonds the company will pay to the trustee $250 a month from September, 1937, to August, 1935.

It is further proposed that all interest both on the old bonds and the new shall be payable in Canadian funds only. The present issue calls for payment in Canadian or American gold coin; the last interest payment made in March 1, 1932, was paid in Canadian funds only.

OPEN NEW MARKET IN NEWFOUNDLAND

Is Part of Land Settlement Scheme for Unemployed

The Land Development Association of Newfoundland has recently opened its new produce market in St. John's, through which it is expected farmers from surrounding territory, as well as allotment holders under the Association's land settlement scheme, will find a convenient means of marketing their products. Heretofore many producers of farm goods have peddled them from house to house in St. John's. The new market will aid in the grading of local produce of all kinds, and will also be used for storage purposes.

The Land Development Association has started a land colony scheme on the Blaketown road which is taking care of some of the 1,000 families for which St. John's has been unable to provide labor. Unfortunately some of the produce of these unemployed people, who have been established on the soil, has been destroyed by blight, but it is planned to carry on the work even more extensively next season. This land settlement scheme has been the prime cause of the establishment of the new produce market.

Establishment of additional agricultural colonies is being planned by the Association. At present Newfoundland imports vegetables and other produce which, it is believed, can be produced by this scheme and sold in the colony. The government of Newfoundland has made contributions to this development.

Membership in the Association is being urged by the government, and it is also suggesting that those who can do so should invest in the co-operative credit banks which are part of the contemplated scheme of development of the Association. It is estimated that the Association will require $7,000 per annum to carry on its work of organizing co-operative societies throughout the country and marketing agricultural products.

CHANGES PROPOSED IN INCOME TAX ACT

Government Employees Outside Canada Will be Taxed

First reading in the House of Commons has been given to a bill presented by Hon. E. N. Rhodes, Minister of Finance, and which contains amendments to the Income War Tax Act. The amendments will provide, among other things, that ministers, commissioners and employees of the government resident outside Canada will be liable to the tax.

The bill contains the following provisions:

That ministers, commissioners, officers, servants and employees of the government resident outside of Canada be made liable for income tax.

That when the assets or shares of a company having on hand undistributed income at the end of 1929 are sold directly or through an intermediary to a company, which company issues shares, bonds, notes or other like documents as fully paid up by capitalizing the said undistributed income, then on the redemption of such documents the company redeeming shall pay a tax of four per cent on the amount of such document redeemed.

That the time of filing information returns be advanced from March 31 to the last day of February in each year.

That the provisions of the said act with respect to personal corporations be amended to make them more certain in their application.

New Bankruptcy Act Approved in Quebec

Rosario Messier, secretary of the Retail Merchants Association for Quebec has recently indicated that he expects amendments to the bankruptcy act, which will be administered by the new Dominion superintendent of bankruptcy, W. J. Reilly, will have a favorable effect.

The new law will prevent assignments by farmers after Dec. 1 next, and it is thought that this will improve the credit standing of the farmers. It is said that certain trustees have in the past urged farmers to make voluntary assignments when it was not in the best interests of the farmer to do so. Farmers themselves have asked for this feature of the act in their own interest.

It is also thought that other amendments to the act will result in a reduction of fraudulent bankrutcies and in reduced costs in legitimate bankruptcies.

Stability Desirable in Canadian Dollar

Central Bank Might Give Valuable Aid to Canada's Foreign Exchange Position by Regulating Credits

By A. F. W. PLUMPTRE

(Lecturer in Money, Credit and Prices, University of Toronto)

What price the Canadian dollar? Since September, 1931, this is a question which has been weighing heavily upon the minds of Canadians who carry on importing or exporting business, or who have debts to pay in terms of American dollars and other currencies.

The outstanding features of the Canadian monetary situation during the past year have been the 10 per cent—20 per cent premium which has had to be paid upon American dollars, the 10 per cent—20 per cent discount at which English pounds have been obtainable, and the continuous changes in these premiums and discounts. In this period Canadian debtors and importers have not had the advantages of exchange with the United States at par; Canadian exporters and manufacturers have not had the advantages which would have accrued if our dollar had been at par with sterling; and everyone concerned with international trade and finance has been burdened with the risk of day-to-day and month-to-month fluctuations of the Canadian dollar in terms of both of the gold standard countries and of the large group of countries whose exchanges are now stabilized in terms of sterling.

Thus, during the past year we do not seem to have been in a very happy exchange rate situation. And it appears reasonable to suppose that this is partly because we have had no central authority which, in a rapidly changing situation, might have been responsible for making plans and taking action.

Gold Dollar Policy

Canada's official monetary policy, since she returned to the gold standard in 1926, has been to keep the purchasing power of the Canadian dollar fixed in terms of gold and thereby in terms of all other gold standard currencies. This policy showed signs of breakdown as far back as 1929, when the first of several unofficial embargoes upon gold exports was imposed and Canadian funds were allowed to go to a discount of 2 per cent in New York. It broke down completely when the Canadian dollar went to a much greater depreciation in terms of gold and the American dollar in September, 1931. Thus, whether this depreciation was or was not desirable, it marked the breakdown of the official policy.

It is sometimes suggested that, in the future, a different policy should be adopted. It is urged that, so far from stabilizing the exchange rate with other countries, this rate ought to be consciously varied. Such a policy has recently been undertaken by Bolivia, in which the exchange rate is varied inversely with the Sterling price of her chief export, tin. This results in a rough stabilization of the price of tin in terms of "Bolivianos," the local currency. Similarly, it is proposed that if the Canadian exchange were varied inversely with the price of wheat and other exports this would result in some degree of stabilization of prices and economic conditions in this country.

Fluctuations Restrictive

This scheme is most attractive at first sight. But if it were adopted as a long run policy fluctuating exchanges would probably involve the practical cessation of international borrowing, thereby retarding Canadian development. It would also impose grave risks of uncertainty upon all Canadian corporations and governments, which have borrowed abroad in the past. It would, in a sense, involve the abandonment of the goal of international co-operation in the field of finance, toward which the world has been struggling for a decade. In addition it is doubtful whether Canada has at present the information, the machinery and the experience necessary to put this policy into effect. And lastly, it is a policy which is open to grave political abuses; and one which might easily develop under political pressure into a continuous policy of exchange depreciation and internal inflation. These arguments are sufficient to convince the vast majority of opinion that, as a permanent policy, a fixed exchange rate with other currencies is the best and the safest for this country.

If it is certain that Canada's long run policy should be a stabilization of her exchange rate it is of importance to review briefly why the policy of stability broke down in the past and how far the establishment of a Canadian central bank could save a similar policy from breakdown in the future.

The fundamental causes of the depreciation of the Canadian dollar in terms of gold may be divided into those over which Canadians have, and those over which Canadians have not, an appreciable measure of control. The exchange rate is determined by the aggregate supply of and demand for foreign exchange, that is, by the balance of international payments. It must be remembered that only those measures which affect one or more of the various items in the balance of international payments (such as capital imports or exports, tourist expenditures, shipping and freight charges, service upon past foreign loans, and commodity trade) will be effective in controlling and stabilizing the exchange rate.

"Flight" From Canada

The recent depreciation arose because the declines in Canadian borrowing abroad, in the value of Canadian exports, and in the value of American tourist expenditures in Canada, etc., outran the decline in Canadian purchases from abroad, in Canadian tourist expenditures abroad, and in Canadian foreign debt service, etc. At times this situation appears to have been aggravated by a withdrawal of American deposits from Canadian banks and by American sales of Canadian securities in Canada; that is, by a so-called "flight of capital." Such a "flight" was precipitated by England's abandonment of the gold standard and resulted in the sudden fall in the exchange rate.

What place might a Canadian central bank take in this picture? It certainly could not have maintained the world-prices of our chief exports; wheat, flour, wood pulp and lumber; nor could it appreciably affect the volume of those exports or the movement of tourists. Nor could it reduce the value of existing foreign debts. Nor could it, when the crisis arose in September, 1931, have kept nervous American capital in this country or tempted more nervous American capital to come in. Thus there seems little to lead to the belief that the sudden depreciation could have been prevented if a central bank had been on the spot at the time.

On the other hand it is possible that some of the severity of the depreciation might have been avoided if a wise and beneficent central bank had been on the scene for some period of years. As suggested in a previous article of this series, the bank's true function in the boom years would probably have been to check the excessive import of foreign capital, thus reducing the interest burden in the lean years to come.

Credit Regulation

The bank might also have checked some of the credit expansion which went on in Canada up to the end of 1929, which was partially supported by the borrowing of Dominion notes on the part of the chartered banks under the facilities afforded by the Finance Act. An authority has claimed that, if Finance Act borrowing had not been available to the banks, their restriction of credit would have been sufficient to check the flow of Canadian fund to New York which made necessary the first unofficial embargo upon gold in 1929. The same authority has also suggested that it was such embargoes, combined with the threat of inflation inherent in the use of the Finance Act, which caused the withdrawal of American funds and the final crisis of the exchange in September, 1931.

Whether one agrees or not with this particular analysis of the situation it is quite clear that the principles of the Finance Act are directly contrary to the orthodox principles of the gold standard. Under that standard it is supposed that, when an adverse balance of international payments occurs in a country and gold has to be shipped out to meet the deficit and maintain the exchange rate at par, there shall then be a contraction of currency and credit in that country. This, then is supposed to set in motion a variety of forces tending to right the upset balance. But under the post war Finance Act regime the chartered banks have been able, when they exported gold, to maintain and even to expand currency and credit by borrowing Dominion notes. Thus, in principle and in practice, the Finance Act is opposed to the orthodox gold standard; which, be it remembered, was the government's official policy.

Finance Act's Effects

The operations of the Finance Act in the past have also been opposed to the principles of scientific credit control operated in the interests of economic stability. That is to say, the boom period of 1928-29 was allowed to expand upon a basis of Finance Act borrowing. Subsequently, depression and credit contraction have not been retarded, as they otherwise might possibly have been, because instead of bank reserves piling up, encouraging the banks to loan or to increase their security portfolios, old Finance Act borrowing have been repaid. It is not, of course, contended that the Finance Act was the cause of the boom and slump; but only that it played at least a minor part in those movements.

It is difficult to blame the banks for these "abuses" of the Finance Act. Their object is to run a banking business, not a monetary system, and they naturally use whatever facilities are put at their disposal. But the Treasury Board is supposed to supervise the issue of notes under the Act. This board is a sub-committee of the cabinet. It is therefore not unreasonable to suppose that these men are not financial experts, and that they are not in a position to judge the effects of Finance Act borrowings upon Canada's volume of credit, upon her balance of international payments, and upon her position on or off the gold standard.

Thus, it seems that the ultimate control of Finance Act borrowings has got into the wrong hands. If a central bank is not founded to take over this control, it should not be left where it is. Another more expert board might be set up, or else the chartered banks should be charged with all the responsibilities of controlling as far as possible the foreign exchange rate and the volume of currency and credit.

On the other hand, it should be clear from what has preceded that the control of the Finance Act is not an end in itself; but should be part of a definite policy. Further this policy must relate directly to the foreign exchange rate. Therefore a proposed Canadian central bank should be thought of not so much as a bank of note issue and Finance Act rediscount, but rather as a bank of exchange rate control.

Editor's Note—This is the sixth article in a series, "Does Canada Need a Central Bank?" The final article by Mr. Plumptre will follow in an early issue.

LAKE ST. JOHN MEET TO PLAN COMMITTEE

Bondholders Will Empower Body to Act in Their Interests

From Our Own Correspondent

MONTREAL.—Appointment of a committee to represent the holders of bonds and debentures of Lake St. John Power and Paper Co. will be considered at a meeting to be held in Toronto, December 8, according to a notice issued by National Trust Co. as trustee. Interest due August 1 on both the first mortgage bonds and debentures have not been paid.

It is proposed that the committee shall have power to co-operate with the trustee in an investigation of the company's affairs and its financial situation and in the preparation of a plan of reorganization. It is further proposed to empower the committee to postpone semi-annual interest payments and sinking fund installments on the bonds and debentures, such postponements to be for any period not later than August 1, 1934.

Quorum is 60 Per Cent

Sixty per cent of both bonds and debentures must be represented at both meetings to constitute a quorum. Deposits of securities may be made at any office of the National Trust Co. in Canada. The following proxy committees have been named:

For the debenture holders: Arthur Jones, Montreal; D. H. McDougall, Toronto; J. W. Mitchell, Toronto; George L. Robinson, Toronto, and A. V. Young, Hamilton. For the bondholders: John Appleton, Toronto; W. S. Lighthall, Montreal; Rt. Hon. Arthur Meighen, Toronto; John Stadler, Montreal and Arthur F. White, Toronto.

Port Royal Pulp Plant Operates Near Capacity

From Our Own Correspondent

MONTREAL.—Port Royal Pulp and Paper Co., operating the plant formerly owned by the Nashwaak Pulp and Paper Co. at Saint John, is now in operation with a staff of some 140 employees on the payroll. The management states it has orders on hand in New England markets which justify operations and expect output to reach normal proportions.

1931 MEAT PACK DOWN $46,433,256

Quantity Greater Than 1930—Lower Prices Reduced Value

Total value of the slaughtering and meat packing industry in Canada during 1931 was $46,433,256 below that of 1930 according to a report issued by the Dominion Bureau of Statistics, Ottawa. There was an increase in estimated consumption of meats from 1,486,392,976 pounds in 1930 to 1,540,162,180 in 1931, but total value of production fell from $167,835,552 in 1930 to $117,596,697 in 1931 due to substantially reduced prices. In 1929 total value of production was $185,842,902.

Production of meats showed an increase in quantity in 1931 over 1930. Among the meats sold fresh, the quantity of beef increased 3 per cent; of mutton and lamb, 1 per cent; of pork, 7 per cent; and veal increased 10 per cent.

In the list of cured meats, the quantity of ham sold increased 18½ per cent, of shoulders 35 per cent, and of bacon and sides one per cent. An increase is also shown in the production of lard, but decreases are recorded for the two items of shortening.

Average prices for all of the different kinds of product of the industry were considerably lower in 1931 than in 1930; beef sold fresh dropped from 13½ cents per pound to 9½ cents; mutton and lamb from 17½ cents to 15 cents; pork from 18½ cents to 12 cents; and veal from 15 cents to 11 cents.

Among the cured meats, ham decreased from 25½ cents per pound to 19 cents; bacon from 29 cents to 21 cents; and sausage from 19½ cents to 14½ cents. Lard dropped from 15½ cents per pound to 9½ cents, and shortening from 12½ cents to 9½ cents.

Ontario is the principal producing province in this industry, with a total value of output in 1931 of $56,977,583, or 48 per cent of the total value for the whole of Canada in that year. Quebec comes second in order of value of output, with a total of $21,633,359 and Manitoba third with $15,864,297.

The number of animals slaughtered in the plants during the year 1931 was 4,456,912, with a total dressed weight of 790,282,257 pounds, compared with 3,987,819 animals and a weight of 724,024,410 pounds in 1930. All kinds, excepting calves, show increased slaughterings in 1931; for calves there is a decrease of about 3,000.

The average cost value per animal in 1931 was less than in 1930 for each of the several kinds; beeves are recorded at an average of $45.51 compared with $68.75 in 1930; sheep and lambs at $5.73, compared with $7.19; hogs at $13.55, compared with $22.48; and calves, $10.22, compared with $16.75.

The value of all animals slaughtered in the plants and of oils and other materials used in the preparation of the product in 1931 amounted to $91,276,842, compared with $129,004,327 in 1930 and $151,814,517 in 1929.

Transportation Building Seeks Waiver on Default

From Our Own Correspondent

MONTREAL.—If present plans of the management of Transportation Building Co. go through, bondholders will forego the next three interest payments until 1942. Interest due November 1, has not been paid.

Through deferring these three interest payments, it is hoped the company will be able to replenish its cash position sufficiently so that interest on the bonds may be met commencing with the payment due May 1, 1934. In other words, bondholders will be asked to wait until 1942 for the three interest payments commencing November 1, 1932.

Newsprint Freight Rate Hearings to be Re-opened

From Our Own Correspondent

MONTREAL.—The Interstate Commerce Commission has re-opened its investigation of freight rates on imported and domestic newsprint to points in official and southern classification territory. Hearings will be held November 28, in New York.

The Commission has stated that all parties to be represented should be prepared to present evidence regarding newsprint rates from points on the Canadian boundary line.

GYPSUM SALES DROP; WILL PAY INTEREST

Depreciation Write Offs Likely Reduced This Year

From Our Own Correspondent

MONTREAL. — Though sales of Gypsum, Lime and Alabastine, Canada, have declined 40 per cent from last year, it is officially stated that the company will meet its bond interest payable next March. Figures on earnings during the current year have not been published but the drop in sales is understood to have found reflection in profits to date.

It is reported that provision for depreciation this year is considered unnecessary in view of the substantial write-offs made in previous periods. In 1931, $209,300 was charged off for depreciation and depletion, and in 1930 the figure totalled $256,829. Total reserve for depreciation at the end of 1931 stood at $882,320; depletion, $76,893, and a contingent reserve at $15,790.

Funded debt of the company comprises $3,751,843 of 5½ per cent first mortgage bonds and $587,000 of six per cent first mortgage bonds of Standard Lime Co., a subsidiary. Current assets at the end of last year, were $1,451,340 against current liabilities of $313,053 leaving a net working capital of $1,138,287.

Lindsay Pays Dividend; Earnings Below Needs

From Our Own Correspondent

MONTREAL.—Regular dividends have been declared on the preferred stock of C. W. Lindsay and Co. at the rate of 6½ per cent. It is understood, however, that business has shown no improvement and that the payment is being made from surplus.

The company is now facing its busiest season and results accruing from sales in ensuing months will have a bearing on future dividend action. In the fiscal year ended February 29, 1932, financial statement showed a deficit of $7,529 before dividends. Surplus at profit and loss at the end of the year was reduced to $348,270. Preferred dividend requirements last year were $46,015.

Food Group Dominates Kitchener's Retail Sales

There were 392 retail stores in 1930 in Kitchener, whose population at last year's census was 30,793. The sales amounted to $13,198,400, 1,384 persons employed and the payroll $1,478,600.

The largest number of stores and the greatest amount of business were reported for the food group, in which there were 124 establishments with $3,134,800 sales, 252 employees and a pay-roll of $235,200. In addition to the sales made by these food stores, the bakeries and dairies which report to the Census of Industry had retail sales of $520,231 in 1930.

The automotive group was second in amount of business with sales of $2.436,000 reported for 48 establishments employing 177 persons and paying $253,700 as salaries and wages. Eleven automobile dealers alone did a business of $1,682,600.

In the service field there were 137 establishments with $1,035,000 receipts, 240 employees and a payroll of $256,000. The largest receipts were reported for the amusements group. which includes movie houses, in which there were 7 establishments doing a business of $348,500.

Halifax Wholesale Trade Totalled $20,175,000 in '31

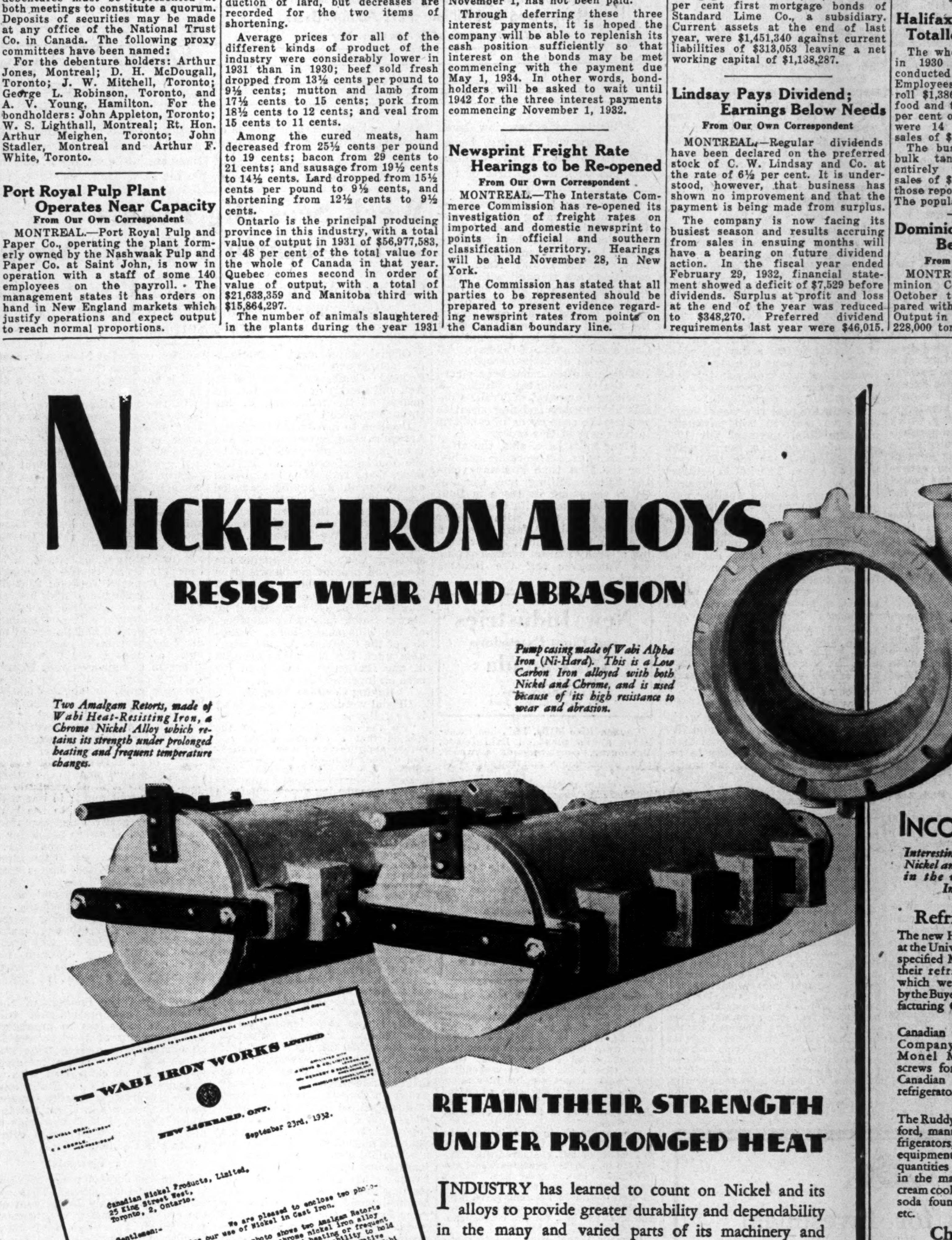
The wholesale business of Halifax in 1930 amounted to $20,174,900, conducted by 79 wholesalers proper. Employees numbered 1,022 and payroll $1,386,400. Thirty eight handled food and tobacco products and did 58 per cent of the total business. There were 14 grocery wholesalers with sales of $5,393,300.

The business conducted by the 4 bulk tank stations was almost entirely wholesale so that their sales of $2.418,700 could be added to those reported for wholesalers proper. The population in 1931 was 59,275.

Dominion Coal Hoist Below 1931 in October

From Our Own Correspondent

MONTREAL.—Output of the Dominion Coal Co. collieries during October totalled 169,000 tons compared with 155,000 tons in September. Output in October, 1931, however, was 228,000 tons.



NICKEL-IRON ALLOYS

RESIST WEAR AND ABRASION

Pump casing made of Wabi Alpha Iron (Ni-Hard). This is a Low Carbon Iron alloyed with both Nickel and Chrome, and is used because of its high resistance to wear and abrasion.

Two Amalgam Retorts, made of Wabi Heat-Resisting Iron, a Chrome Nickel Alloy which retains its strength under prolonged heating and frequent temperature changes.

THE WABI IRON WORKS LIMITED
NEW LISKEARD, ONT.

September 23rd, 1932.

Canadian Nickel Products, Limited,
25 King Street West,
Toronto, 2, Ontario.

Gentlemen:-

We are pleased to enclose two photographs illustrating our use of Nickel in Cast Iron.

One photo shows two Amalgam Retorts made of Wabi Heat-Resisting Iron, a chrome nickel iron alloy which retains its strength under prolonged heating or frequent temperature changes, due to its close grain and ability to hold its graphitic carbon in a finely divided state. Comparative tests of this material with ordinary grey iron showed that Wabi Heat-Resisting Iron retained its strength and did not burn or scale to the same extent.

The other photo shows a centrifugal pump casing made of Wabi Alpha Iron (Ni-Hard). This is a low carbon iron alloyed with both nickel and chrome. This material is used on account of its high resistance to wear in pumps handling mill pulps and solutions which carry abrasive materials.

These modern iron alloys present no difficulties in our foundry practice, and are, we believe, giving entire satisfaction in the field.

Yours very truly,
THE WABI IRON WORKS, Limited
Booker
Manager.

GEB/LAB.

RETAIN THEIR STRENGTH UNDER PROLONGED HEAT

INDUSTRY has learned to count on Nickel and its alloys to provide greater durability and dependability in the many and varied parts of its machinery and equipment.

The letter reproduced here describes just two of the scores of problems which have been solved by the use of Nickel-Iron Alloys. Nickel alloyed with other metals—steel, stainless steel, brass, bronze, aluminum, etc.,—insures dependable mechanical properties and one or more of the following improvements:

(1) Greater impact and fatigue strength.
(2) Great resistance to heat, corrosion and wear.
(3) Better workability.
(4) Improved color and appearance.

Our engineers will gladly advise you regarding the selection of materials for your specific problems.

Iron founders and metallurgists should write for the new Nickel Cast Iron Chart. For any given type of service it instantly indicates the desirable analysis and resulting physical properties. Write to Canadian Nickel Products Limited, 25 King Street, West, Toronto.

Nickel ALLOYS PERFORM BETTER LONGER

INCO NICKEL

INCO NEWS

Interesting new uses of Nickel and Monel Metal in the various home Industries.

Refrigeration

The new Hygiene Building at the University of Toronto specified Monel Metal for their refrigerator doors, which were manufactured by the Buyers Door & Manufacturing Co. of Toronto.

Canadian General Electric Company has adopted Monel Metal machine screws for the new G.E. Canadian made domestic refrigerator.

The Ruddy Mfg. Co., Brantford, manufacturers of refrigerators, kitchen cabinet equipment, etc., use large quantities of Monel Metal in the manufacture of ice cream coolers, refrigerators, soda fountain equipment, etc.

Chemical

The Mount Lyell Chemical Company of Melbourne, Australia, recently added a quantity of Monel Metal seamless tube for use in Chlorine equipment. Sheets and rods of Monel Metal previously supplied to this Company have been found quite satisfactory in equipment used in the manufacture of Chlorine.

The Department of Prisons, Ottawa, has for some time been using Monel Metal cups in their various institutions. These are manufactured by General Steel Wares Limited. The anti-toxin properties of these cups together with their durability, makes them desirable for all institutions of this type.

Textile

The Dominion Textile Company, Limited, are manufacturing Dye Tanks for their Montmorency Falls Plant, of Monel Metal.

The Guelph Carpet & Spinning Mills are adding new Monel Metal equipment, most of which has been manufactured by Goold, Shapley & Muir Company of Brantford, Ontario.

INCO MONEL METAL QUALIFIED FABRICATOR

Only experienced fabricators of Monel Metal display this sign. It is your guide to quality in workmanship and material.

CANADIAN NICKEL PRODUCTS LIMITED
25 KING STREET WEST, TORONTO
A Subsidiary of
THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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INCOMES SMALLER BUT TAXES JUMP; BURDEN CRUSHING

Ability to Pay Taxes Drops and Makes Levy Fearful Toll

MUST FACE FACTS

Businessmen's Committee on Public Economy Asks Public to Realize 1932 is Not 1929

Measured by ability to earn and pay, the price of government has again risen very sharply during the past three years—perhaps more sharply than in any previous period, according to the National Committee on Economy in Public Finance of the Canadian Chamber of Commerce.

Certain elements in the present position and in developments to date are suggested by the committee for consideration. Government accounts are not, of course, available beyond 1930-31.

Everyone knows that the number of dollars he has to pay today is really many more dollars than the same number three years ago. Individual differences are infinite, but for the ability to pay of a country as a whole some sort of yardstick may more easily be found.

Yardstick of Ability

A country's ability to pay dollars must be in some direct relationship to the dollar value of the aggregate of all business activities that enter into the creation of values. The Dominion Bureau of Statistics has compiled as from 1919 an index of the physical volume of business, which has just been recalculated on a still more comprehensive basis. Then there is the index of general wholesale price levels. By combining the two, the index of Ability to Pay used by the committee was worked out.

Whether or not this stick measures exactly a yard and is suitable to measure all elements in the complex conditions, it is probably the best single standard obtainable. Unfortunately it can be used only in comparing post-war years among themselves.

Position Sharply Reversed

From 1925 to 1929, ability to pay, as thus measured, was increasing, up to 1928 about in pace with rising government costs and in 1929 faster. But a great change has since occurred.

Tax yields in 1930-31 fell 9.6 per cent below those of 1929-30, but ability to pay had fallen 21.0 per cent and therefore real taxes, instead of declining, had increased 14.4 per cent in the year.

Ordinary expenditures of governments were actually larger in 1930-31 by 5.4 per cent, which made the real increase 33.4 per cent.

Government debts increased still more, or 8.6 per cent, and their real potential weight was augmented by no less than 37.4 per cent.

Worse This Year

What will the current year show? For the first nine months of 1932 the index of ability to pay a fixed number of dollars stood at only 45.3 per cent of 1929. That is, general business activity had not quite 2/3 the volume of 1929, at average prices 30 per cent lower.

Government debts and, it is to be feared, also ordinary expenditures have kept on increasing, but even if at the end of 1932-33 there has been no further increase than that shown in 1930-31, their potential burden will have more than doubled in the three years.

Much Greater Sacrifices

Despite new taxes and many higher rates, tax yields are not being maintained, but even if the rate of reduction shown in 1930-31 has continued, the taxes for 1932-33 will represent a greater sacrifice by 55 per cent than those of 1929-30.

These are all very large percentages and their practical significance for individual budgets should be well pondered, for this is the real present position in terms of ability to pay as measured by this one standard.

Undoubtedly one of the most common and most serious weaknesses, or defects, of governmental administration is failure to adjust government costs to variations in other values. Most government services are perhaps not readily adaptable, but a more important reason is that, whereas private finance must accommodate itself to income, government finance has power by statute to compel income, even to the theoretical limit of general confiscation, and is apt to resort to its use, at least partially, before attempting the alternative and more complicated course.

Loath to Curtail

Because of the conditions of the times, new expenditures, it is true, are required of governments. But what expenditures have become relatively less essential in consequence? If a bit more is demanded by emergency, is it to be a bit more or a substitute? It is a question of relative importance, or of proportion; but of all proportions, that between demand and ability must be preserved if greater emergency is to be averted.

Whether even yet the speedily accumulating burdens of public finance are unduly heavy, it is for the people to judge, and say. But the situation must be faced from todays real position. Taxpayers now stand, not on the heights of 1929, but where the top of the arrow touches, or thereabout.

Index of Ability to Pay
Used in Above Compilations

1925	77.73
1926	83.35
1927	86.40
1928	94.25
1929	100.00
1930	79.04
1931	56.27
1932 (9 mos.)	45.30

Direct Taxes Grow

Another study in the series, which are being written by W. Sanford Evans, Winnipeg, on behalf of the company shows the trend of tax revenue sources of Canadian governments.

Taxes showing the most rapid rate of increase in the last 9 years have been direct taxes on special classes of the public, the automobile users and liquor consumers. Yields of these taxes were multiplied 4½ times in the period. More money was raised from automobile users in 1930-31 than from all customs duties in 1904-5.

In general, it is notable that Canadian taxation, from being predominantly indirect has become predominantly direct. In 1913-14 over one-half of the taxes were levied indirectly and in 1930-31 only one-third. Of the total increase in taxes between these periods of some $460,000,000, no less than $360,000,000 was in direct taxes.

This is due not only to the great increase in taxation by provinces and municipalities which are restricted by the constitution to direct taxation, but to the serious incursion of the Dominion into the field of direct taxation during the war.

Is Distribution Fair?

Questions innumerable are raised by all these facts.

Is the distribution of taxation fair among the different classes of taxpayers? If not, which taxes are most onerous?

Taxation by the provinces has increased by 1,059 per cent since 1913-14, as against less than 200 per cent increase by Dominion and municipalities. What wider services have been thrust upon, or have been assumed by provinces?

What is the relative importance of the services expected of provinces and municipalities, on the one hand, and of the Dominion on the other?

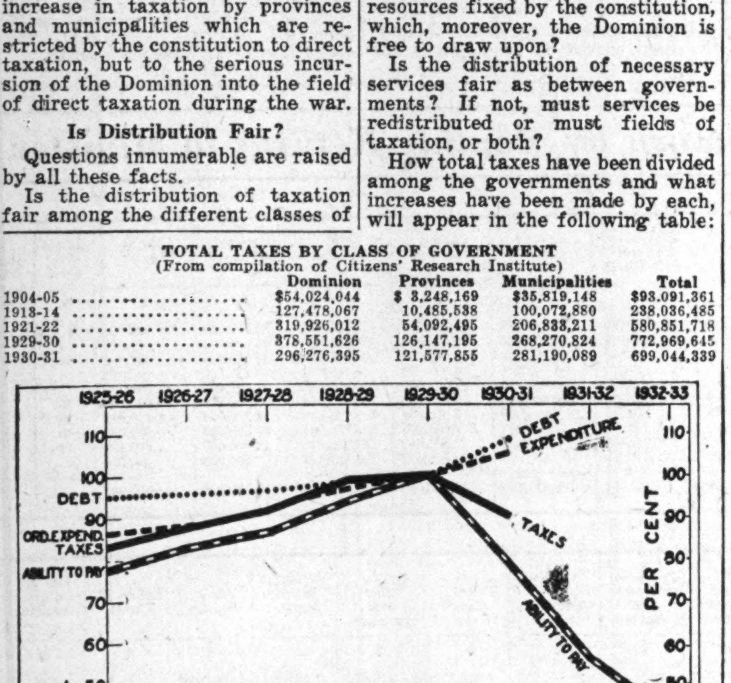
Can the former be discharged without distress out of the tax resources fixed by the constitution, which, moreover, the Dominion is free to draw upon?

Is the distribution of necessary services fair as between governments? If not, must services be redistributed or must fields of taxation, or both?

How total taxes have been divided among the governments and what increases have been made by each, will appear in the following table:

TOTAL TAXES BY CLASS OF GOVERNMENT
(From compilation of Citizens' Research Institute)

	Dominion	Provinces	Municipalities	Total
1904-05	$54,024,044	$ 3,248,169	$35,819,148	$93,091,361
1913-14	127,478,067	10,485,538	100,072,880	238,036,485
1921-22	319,926,012	54,092,495	206,833,211	580,851,718
1929-30	378,551,626	126,147,195	268,270,824	772,969,645
1930-31	296,276,395	121,577,855	281,190,089	699,044,339



Government debt and expenditure have risen more rapidly than our ability to pay taxes, Mr. Evans shows.

Canada to Annex U.S.A. As Scotsmen Did England Andrew Carnegie Hoped

New Biography of Great Steel Maker is Published

BELIEVED IN "RACE"

Thought Influence of Common Blood Bound in Time to Unite Three English-Speaking Nations

> **Carnegie's View Of Canada's Destiny**
>
> "I know the day is coming when Canada, as the well-behaved younger son, will take the motherland by one hand and the rebellious elder brother by the other and reconcile them both.
>
> "I also think Canada will some day annex the Republic, just as the northern part of Great Britain, called Scotland, actually annexed the southern part, called England, and has bossed it ever since.
>
> "May this be the destiny of Canada."
>
> —Letter written by Andrew Carnegie, Nov. 21, 1903.

One of the creators of modern industry was Andrew Carnegie. It was under the leadership of Carnegie that mass production had its birth, to grow into a vigorous giant under Henry Ford and contemporary industrialists. It was under Carnegie that the balance of power in steel production and thus in industry shifted from Britain to the United States in the last half of the nineteenth century. It was in Carnegie's time, if not under his direction, that modern industrial finance, dealing in billions and creating gargantuan corporations, came into being.

But if Carnegie was the pioneer of modern industry he was also the first of the great philanthropists to give intelligent direction to the use of private wealth for public good.

In an adequately written life of Andrew Carnegie one must inevitably find the mainsprings of industrial democracy. Measured by this test one finds the new biography of the great steel master just concluded by Burton J. Hendrick to be an adequate treatment of a rugged and individualistic life.

Scotsman and American

Mr. Hendrick has up to now been most famous as the author of the "Life and Letters of Walter Hines Page." Writing the life of Page gave Mr. Hendrick just the proper sympathetic understanding of both the British and the American point of view to write interestingly of the life and times of a Scot who became a 100 per cent American in business while remaining a 100 per cent Britisher in his racial instincts. Mr. Hendrick's life of Carnegie is a great and purposeful book that is likely to outrank his Page as a biography of rare distinction.

Spanned Industrial Evolution

Andrew Carnegie's life spanned the period of transition from domestic handicraft to modern and colossal industry. Born a weaver's son, his childhood was spent amid the clicking of the 4,000 linen handlooms of Dunfermline, centre of Scotland's weaving trade but destined to industrial decay as the machine loom came. Early in life he learned the arts of business and the way of success, as when he made the boys in the town gather food for his rabbits and paid them by naming a rabbit after each one! It was there in Dunfermline where he acquired ideas of social Liberalism from the Chartist agitators in the market square and a love of peace from his thrifty, war-hating uncles and teachers.

The Carnegie family fell victims to the industrialization of the linen trade. Their prospering town became the scene of distress and despair, most marked in Britain's darkest year—1848. The family boarded ship to start life anew in America. Little "Andra" wept bitterly as Scotland faded from view. He was then thirteen.

Nursery of Millionaires

The family settled in Allegheny, suburb of Pittsburgh. The boy in time adapted himself to the new land but went about boasting that he was a "Scotchie." At 17 he had ambitions of being a politician; leaned to the Democrats; agreed that slavery was wrong but could not be abolished; hailed prohibition in Maine. He was unhappy for years; the family was poverty-stricken and times were hard. He worked hard, as bobbin boy ($1.20 a week); tender of a steam boiler that he hated as Dickens hated his blacking ($1.65 a week); messenger in the telegraph service, then the same age as radio broadcasting is today ($2.50 a week), operator ($4 a week) all in a muddy neighborhood that turned out to be a nursery of millionaires as "Cabbagetown" in Toronto is the nursery of Orange politicians.

In a letter written home to Scotland in 1853, the 18 year old Andrew showed himself as a proud American when he compared economic progress in his newly adopted country with that in Canada—much to the disadvantage of the latter. He said:

"But you may reply, Government has little or nothing to do with the state of affairs. Why then, I would ask, the contrast between the United States and the Canadas? They were settled by the same people, at the same time, under the same Government—and look at the difference! Where are her railroads, telegraphs, and canals? her commercial marine and her unrivalled steamships? her fast clippers? or her potent press? We have given the world a Washington, a Franklin, a Fulton, a Morse—what has Canada ever produced? Ah Dod, 'There's something rotten in Denmark!'"

Goes Into Railroading

It was about this time that Carnegie joined the Pennsylvania Railroad as telegraph operator and general office assistant to Thomas A. Scott, later the Pennsylvania's greatest president. His twelve years in railroading were formative years and it is valuable to notice what Mr. Hendrick considers his dominant qualities then; "quickness of decision, assertiveness, absolute confidence in himself, and a willingness to accept responsibility that amounted to little less than audacity."

Scottish frugality and the careful investment of small sums, saved penny by penny, were giving the young railway man the beginnings of his fortune. But his first important stock purchase was made with money borrowed under a mortgage on his mother's house, an act more courageous than canny. But a greater act of daring started him on the road to wealth. He met Woodruff, inventor of the sleeping car, enthused over the new invention, induced the Pennsylvania to buy the first two, borrowed the $217.50 necessary for the first payment on a one-eighth interest in the company and was soon a small capitalist. In all subsequent transactions Mr. Carnegie relied as he did in his first two investments, on borrowed money. He borrowed money to become the world's richest man. His unquestioning confidence in himself made him almost a cock-sure investor.

The Civil War appealed to this war-hating anti-militarist as one of the few just wars of all time. He volunteered to help save the Union and followed his chief Thomas A. Scott, to Washington to help organize railroads and telegraphs. To get to Washington he had to rebuild telegraph and railway lines destroyed by Southern invaders. He put Lincoln in touch with the world, an accomplishment of vital significance in the ultimate victory. This at 26. Success beckoned the exuberant young Scotian, and when sheer exhaustion forced him to take a holiday (a glorious reunion with his old friends in Dunfermline) in 1862 he was a notable figure to the townsfolk. And well he might be. His income tax return for 1863, reproduced by Mr. Hendrick, shows this young man to have an income in that year of $47,860.67. Already he was one of America's richest men, although unknown outside Pittsburgh. Two items in his statement were significant, dividends from the sleeping car company, and dividends from a company he and a group formed to drill for oil on a Pennsylvania farm.

"He had been a pioneer in sleeping cars before Pullman. He had made a comfortable fortune in oil when the name of Rockefeller was unknown — Carnegie abandoned railroading at the very moment when it was opening brilliant vistas to less imaginative men."

He Turns to Iron

He turned to iron, a trade abundantly filled and highly competitive. He was 30.

He had helped organize a company to build iron bridges, another to build rails, a third, locomotives. He gave up railroading to devote his full time to these companies and others he planned. From the beginning he was the executive, taking other men in as partners, letting them build bridges and locomotives while he sold them and maintained spirit in the enterprise. No sooner had he organized his group of iron companies than he set sail for Europe for a long holiday leaving his associates to work out their problems alone. In this manner he trained his men.

Draws Up Programme

In 1867 he moved to New York. Wall Street was instantly seeking his advice. He drew up a life programme—to make no effort to increase his fortune beyond $50,000 a year; to spend any surplus for the benefit of others, to add to his education, to learn to speak in public, to control a newspaper in London; and to resign business at 35 and take part in public affairs.

He did not carry out the programme in detail but in his after life he carried out its principles. He was a pioneer in the belief that great wealth was a public trust.

New Worlds to Conquer

Perhaps Carnegie would have resigned had not Henry Bessemer given birth to cheap steel and given the Scot new worlds that he had to conquer or see all his work undone. America, the miraculous, is the product of steel and Carnegie the greatest worker in it. Mr. Hendrick wisely tells at some length the story of Bessemer and his invention of the converter, one of the most interesting chapters in his two volumes. Bessemer's process was a failure with ores containing more than a minimum of phosphorous and it gave little impetus to American industry until the ores of Northern Michigan, largely phosphorous-free, were discovered.

What Canada Missed

Mr. Hendrick remarks:

"When the American negotiators were drawing up the Treaty of Paris in 1783 and the time came to delimit the northern boundary near the Great Lakes, Benjamin Franklin traced the

(Continued on page 15)

EUROPEAN AUTOS, MICRON AND M. G., TO BE SOLD HERE

British M. G.'s Imported; French Cars to Be Made in Montreal

A new line of small English cars, the M. G., is to be imported into Canada in the near future by Empire Sports Cars, of Montreal. This is said to be a result of the lower duties on such cars agreed upon at the Imperial Economic Conference.

Montreal will also be the scene of operations for manufacture of a line of French midget cars, the Micron.

The M. G. car is the make that won the British 500-mile race at Brooklands at an average speed of 96 m.p.h. last year. It also holds other important speed titles in Europe. Stock models are geared to give speeds from eight to eighty m.p.h.

Four Models Here

Four models of M. G. cars are now actually available in Montreal. They are the sports roadster, two coupe models, both with sliding roofs, and phaeton. All are six cylinder models except the roadster which is a four. Dual carbureters, overhead valves five wire wheels, Dunlop tires, and triple glass are standard equipment. The wheels are secured by a single nut and may be interchanged with great rapidity.

The French Micron to be made in this country is a freak type of car from the Canadian viewpoint. It weighs only 600 pounds, has a 75-inch wheelbase, front wheel drive, and one cylinder motor which develops four horsepower. This car is expected to sell for around $300, and will be made in coupe, roadster, and light truck models. The front wheel drive used is the same in principle as that of the Cord, with two independent wheels. It has a valve in head motor with one-piece crankshaft and single-piece connecting rod.

These midget cars are said to have a maximum speed of 50 m.p.h. and to make 60 miles to the gallon of fuel. The carburetion is automatic, lubrication is of the full splash type, and transmission is the conventional three forward speeds and one reverse speed. The date of appearance of these models in Canada has not been announced.

HIRAM WALKER NET ONE FOURTH TOTAL OF PREVIOUS YEAR

Redeemed Large Block of Outstanding Preference Shares

As intimated to be likely in The Financial Post of last week, net profit of Hiram Walker-Gooderham and Worts Ltd. as shown in the annual report for the year ended Aug. 31, 1932, had a very sharp drop from the preceding year. After depreciation, bad debts and contingent reserves, net profit was $255,256, almost one-quarter of the $1,060,882 earned in the preceding year. Dividends were $814,108 and this occasioned a deficit for the year of $558,852. Deducting this, as well as income tax of $119,171, the accumulated surplus dropped from $5,340,282 to $4,662,259.

CONS. INCOME AND SURPLUS ACCT.
Years Ended August 31

	1932 $	1931 $
Net profit †	255,256	1,060,882
Less: Divds.	814,108	2,310,000
Deficit for year	558,852	1,249,118
Add: Prev. surp.	5,340,282	6,868,479
Less: Inc. tax (prior year)	119,171	279,079
Bal. forward §	4,662,259	5,340,282

† After depreciation, bad debts and contingent reserves, but subject to income tax.
§ Before providing for dividends due September 15.

Losing Home Market

W. J. Hume, president, under date of November 5, tells the shareholders in the report that the company fully maintained its relative position in the home market. He points out that the continued decline in purchasing power turned the public demand more and more to lower priced products on which the margin of profit was comparatively small. Canadian distillers, he said, are supplying only about 30 per cent of the requirements of the domestic market. This is not enough under present conditions to earn even a fair profit on the heavy investment. The Canadian distilling industry, Mr. Hume says, was undoubtedly organized primarily for the purpose of supplying the home market and until a few years ago shares of Canadian manufacture accounted for approximately 55 per cent of the total consumption. Conditions arising during the war and unfavorable tariffs had combined to divert a considerable share of the business originally enjoyed by Canadian distillers to imported goods.

Governments Get Lion's Share

"The combination of Dominion excise duty and Provincial Liquor Commission selling profit is responsible for the present high cost of spirits in Canada," continued Mr. Hume. "The excessive nature of both these imposts is more apparent if we reconcile the cost to the consumer with the manufacturer's price of, for example, a bottle of Walker's old rye whisky, which prior to the recent reduction in excise duty retailed in Ontario and Quebec for $2.65, and higher still in other provinces. Out of the retail price of $2.65 the distillers receive 62c, the Dominion and Provincial Governments the balance.

"These excessive taxes and profits are directly responsible for the manufacture and sale of large quantities of illicit spirits which provide no revenue for either the Dominion or the Provincial Governments, and entail a corresponding loss of business to the licensed distillers. It must be obvious that a reduction in taxes which will render the present illicit traffic unprofitable and divert it to legal channels will not necessarily reduce the revenue from such taxes. It is a well-recognized principle that when a tax is increased beyond a certain point, the revenue therefrom commences to decrease.

"We are glad to see that the Dominion Government has taken a step in the right direction by reducing both the excise and the customs tariff on spirits, and it is greatly to be hoped that the Liquor Commissions will not only pass on to the public the entire reduction in excise duty, but at the same time will accept a substantial reduction in their percentage of retail profit.

"Your directors again wish to point out most forcibly that, notwithstanding the recent reductions, a wider spread than the present one between the customs and the excise tariff is essential if Canadian distillers are to succeed in regaining their former share of the home market. A lower excise duty would still further curtail the manufacture and sale of illicit spirits and would give the Canadian distilling industry a wider margin as against imported goods, but, at the same time, would not necessarily result in any loss of the revenue so badly needed by all governments at the present time."

Dividend Half Earned

It is to be observed that the company paid in dividends $814,108 during the year under review, but that at the present rate of $1 a share on 514,345 no par value preference shares outstanding there is required $514,345, or nearly $300,000 less. This sum is still nearly double the net profits of the last year, however, and from the earnings point of view alone might make shareholders fear that the dividend would drop from $1 a share to 50 cents a share. The company, however, has an earned surplus of $4,533,673, sufficient to pay dividends on the preferred stock for nine years even if the company only "broke even" in the future.

The company's working capital is down more than $2,000,000 as a result of the company's policy of applying its liquid resources from time to time to redeeming the preferred stock.

Redemption Reduces Dividend Needs

During the year the company reorganized by changing its 2,640,000 no par value common shares into 660,000 no par value preferred shares and 660,000 no par value common shares. It had been paying 25 cents a share on the old common stock, but under the new plan paid $1 a share on the preferred, or the equivalent of the old payment. At the same time, it was announced that the company intended from time to time to apply some of its liquid resources in redeeming the preference stocks. The company has the right to redeem its preference shares at any time at a price not exceeding $20 a share.

The company was able during the year ended August 31, 1932, to redeem 145,665 no par value preference shares at an average cost of $9.42 per share. Since the end of the fiscal year it is understood that the company has still been pursuing this policy. At the present rate of payment the company could redeem all the shares at something over $5,000,000 and still have a good working capital position so that whatever earnings might be made in future would be applied to the common stock. Some shareholders hope that, instead of reducing dividends to accord with the yearly earnings, the company may at least reduce the preferred to such an extent that requirements for dividends can be met out of yearly profits equal to those made in the year ended August 31, 1932.

Working Capital Very Strong

The company's working capital is as follows:

Working Capital

	1932 $	1931 $
Current assets	14,494,061	17,369,515
Current liabilities	257,194	892,070
Working capital	14,236,867	16,477,445
Ratio	56.35—1	19.47—1

In its balance sheet for the year ended August 31, 1931, Hiram Walker carried $6,179,665 in Dominion of Canada 5½ per cent bonds, which had a par value of $5,939,000 and were due in 1933 and 1934. Because of the preferred redemption policy mainly, these have been reduced to $4,414,774 of Dominion of Canada 5½ per cent bonds, due in 1933 and 1934, and with a par value of $4,289,000.

Current Manufacturing Curtailed

Cash was down from $121,537 to $72,136, accounts receivable from $1,184,693 to $815,525 and inventories dropped from $9,692,577 to $9,191,627. It is to be noted that this represents an actual drop in volume as the company reported on August 31, 1931, a total stock of spirits amounting to 15,000,000 proof gallons and on August 31, 1932, 14,500,000 proof gallons. Grains and raw materials in the inventories were also down from $79,022 to $17,588 and barrels, bottles and supplies from $1,578,573 to $1,499,298.

The drop in inventories indicates that the company has been keeping current operations below actual demands of the market and utilizing supplies already stored and maturing. For some year the company followed the policy of piling up huge reserves to make up for the shut-down during the war and prohibition periods.

Among current liabilities, bills and accounts payable dropped from $562,070, including government taxes, to $128,608 and because of the lower dividends there was on Aug. 31, 1932, a dividend payable on Sept. 15, 1932, of only $128,586 as compared with $330,000 a year earlier.

Balance sheet valuation of the company's plant and equipment advanced during the year from $8,478,230 to $8,619,464. This in great part represents the capital expenditure for the company's radio station CKGW at Toronto.

Writing Down Stocks Held

In the preceding balance sheet Hiram Walker-Gooderham and Worts showed an item of $12,000,000 for subsidiary shares which represented the difference between $7,000,000 for which the shares of the subsidiaries Hiram Walker & Sons Ltd., and Gooderham and Worts Ltd., had originally been issued and the acquired cost of $19,000,000. During the year the company was able to reduce this item to $10,504,580, because the preference shares redeemed during the year were redeemed lower than the book value of same to the extent of $1,495,420.

The depreciation and contingency reserves advanced during the year from $4,589,549 to $4,723,744, which was less than half the advance made in the preceding year but a substantial advance nevertheless.

The company still has its investments in Dominion Carbonic Coal, Toronto; Liquid Carbonic Canadian Corp., Montreal; James and George Stodart, Glasgow; Stirling Bonding Co., Glasgow; Wine and Spirit Agencies, Montreal; Sarnia Distilleries, National Distilleries, Lindsay Distilleries and Dominion Factors. The whole of these investments in other companies are shown at $921,396.

In addition to manufacturing 10 brands of rye and bourbon whiskies, four Scotch whiskies blended and bottled in Canada, 5 gins, and 5 cocktails, the company represents a number of important firms in England, Scotland, Ireland and France for the sale of special brands of whiskies, gins, brandies, champagnes, wines, liquors, ale and stout.

Abitibi Bondholders Group Requests Further Deposit

Would Strengthen Position as Advisor of Receiver and in Working Out Plan of Reorganization—Industry Unsettled

Bondholders' Protective Committee for the first mortgage series "A" 5 per cent bonds, due 1953, of Abitibi Power & Paper Co., under date of November 3, 1932, address another appeal to bondholders for additional deposits of bonds in order to strengthen the committee's position as advisor in connection with the many operating problems presented by the receivership and the present difficult conditions in the industry "as well as to take part in negotiations which must at a suitable time be conducted on behalf of the bondholders in working out a plan of reorganization."

The letter to bondholders is signed by Frederick G. Curry, secretary, and it states that the protective committee represents a substantial proportion of the outstanding bonds and is consulting with the receiver and manager, G. T. Clarkson, of Toronto, in his efforts on their behalf. It is stated that Mr. Clarkson is operating the properties and directing every effort toward curtailing of the company's expenditures and the reduction of its costs to strengthen its competitive position. Conditions in the newsprint industry are extremely unsettled and add greatly to the difficulties of profitable operation.

Retains Withdrawal Rights

It is stated in the letter that a holder who deposits his bonds with the committee at this time will be assisting in the efforts which are energetically being made by the committee to protect his interests while at the same time such holder will retain a right to withdraw his deposited bonds, without cost or expense, at any time within the period of thirty days commencing on the date of first publication of notice of approval or adoption by the committee of any plan or arrangement of reorganization or readjustment.

On Sept. 12, 1932, bondholders were told that G. T. Clarkson, of Toronto, had been appointed receiver and manager by the court on the appeal of the protective committee and was in possession of the mortgaged properties and in control of their operations. On Sept. 26, 1932, on the petition of certain unsecured creditors, a receiving order in bankruptcy was made against the Abitibi Company, the provisions of the Winding-Up Act were extended to the company, and F. C. Clarkson, of Toronto, was appointed as provisional liquidator.

Specific Lien Behind Bonds

Mr. Curry states that these later proceedings, including the appointment of the provisional liquidator, are in the opinion of counsel of but little interest to the bondholders. Counsel advise that the mortgage securing the bonds constitutes a specific lien on fixed assets and a floating charge on the undertaking as a whole. The receiver and manager appointed in the proceedings taken under the mortgage is thus in control of substantially all of the assets of the company, subject to such rights as may have been acquired by others, prior to the appointment of the receiver and manager, in property covered by the floating charge.

Committee Will Watch

On Oct. 12, 1932, a notice advised creditors of the Abitibi Company to file with the provisional liquidator, on or before November 10, 1932, notices of claims against the company. Counsel for the Bondholders' Protective Committee advise that it is unnecessary, and in fact undesirable for secured creditors such as bondholders to file claims as creditors with the liquidator at this time. Counsel also advise that the time limit of November 10, 1932, as fixed in the advertisement, applies mainly to the rights of creditors to vote at a meeting to be held on November 15, 1932, to elect a permanent liquidator, that if it later proves desirable for the bondholders to file claims such claims can be filed at any time practically up to the date which may be set and advertised for the distribution of assets.

The committee states that it will arrange for filing on behalf of holders who have deposited their bonds with the committee if at any time deemed desirable or will notify the depositors as to the desirability of such filing. It adds, "The Committee does not undertake to act for holders, who have not deposited their bonds with the committee."

Sun Life Stock Is Now Traded In Montreal

From Our Own Correspondent

MONTREAL.—Called for trading for the first time on a Montreal market, shares of Sun Life Assurance Co. of Canada have been placed in the unlisted department of the Montreal Curb Market. There has been, however, active trading in this stock in New York in the unlisted markets in the past.

Other shares to be called for trading in the unlisted department of the Montreal Curb, include:

Beatty Bros. Limited, Class "A" Common and Preferred; Canada Bread; Canada Bud Breweries; Canadian Canners Common, 1st Preferred and Convertible Preferred; Consolidated Bakeries; Dominion Motors; General Steel Wares Preferred; Goodyear Tire Common; Loblaw Groceterias, Class "B"; Provincial Bank of Canada; Sun Life Assurance Co. of Canada; Western Canada Flour Mills and Weston Limited.

RETAIL SALES UP DURING SEPTEMBER

Ten Point Rise in Index Appears More Than Seasonal

Combined index number of retail sales in eleven different groups rose from 74.2 in August to 84.2 in September, 1932, according to a report issued by the Dominion Bureau of Statistics, Ottawa. In 1930 the rise in September over August was 5.5 points in the index, in 1931 it was 7.0 points and this year is 10 points, so that the present increase would appear to be more than seasonal.

No correction of these index numbers has been made for actual seasonal influences, nor has allowance been made for price changes. However, it is known that retail prices have not made general advances in this period in spite of the improvement in many commodity price levels. The index numbers are based on January, 1929, equal 100.

Eight of the eleven groups surveyed showed increases in sales in September over August. Boots and shoes rose from 58.1 to 72.1; clothing from 52.2 to 78.8; dyers and cleaners from 92.2 to 123.5; furniture from 44.9 to 54.9; groceries and meats from 76.0 to 80.6; hardware from 94.0 to 104.5; music and radio from 22.1 to 38.8; and departmental and general from 81.7 to 94.0.

Decreases were registered in candy from 69.2 in August to 62.7 in September; drugs from 79.3 to 76.8; and restaurants from 65.6 to 64.7.

These index numbers are based on returns from 83 chains comprising some 2,700 stores and 25 departmental stores.

LOWER PRICES MAY AID SALES OF CIGARETTES

Imperial Tobacco Should Benefit by Excise Tax Reduction

CHECK SMUGGLING

Lower Duties Will be Passed on to Consumer When New Bill is Passed

From Our Own Correspondent

MONTREAL.—Increased sales of cigarettes by Imperial Tobacco Co. of Canada are foreseen as a result of the proposal to reduce excise taxes from $6 to $4 a thousand. If the bill, presently before parliament, is passed the reduction in taxes will be passed on to the consumer, a factor which D. C. Patterson, president of Imperial Tobacco Co., believes will increase consumption, curtail smuggling and afford additional employment.

The proposed reduction in excise tax indicates a saving of 4 cents on a package of 20 cigarettes. Imperial Tobacco Co. is waiting until the bill is passed before making its new price lists public. Introduction of the bill represents a compensatory measure following reduction of duty on British cigarettes from $4.10 to $3.50 a pound in accordance with the Anglo-Canadian trade treaty.

Should Attract Smoker

One reason why the change in excise tax is expected to aid sales of cigarettes is that lower prices may help the manufacturer counteract the widespread habit of the public of making their own cigarettes. Due to lower purchasing power there has been a marked trend toward the purchase of cut tobacco in the past two years and cigarette sales have fallen off 20 per cent in the first nine months of the current year. Government revenue has been deprived of more than $4,000,000 through this decline while cigarette manufacturers have also felt the effect of lower sales in their chief sources of activity.

Though no figures have been published by the company, Imperial Tobacco Co., as the largest factor in the industry, has doubtless reflected these figures covering the Canadian industry as a whole in its operations. It is understood, however, that the important economies have been put into effect during the current year and that earnings have not fallen off in the same ratio as sales.

Paid 55 Cents in 1931

In 1931 the company reported earnings of $5,914,079 which after charges was equal to 58 cents a share on the common stock. Dividends totalling 55 cents a share were paid, a sum which included a 20 per cent final dividend applicable to operations of the previous year. The 35 cents dividend rate has been maintained during the current year.

Smuggling has been and still is a factor which Imperial Tobacco and other manufacturers have had to contend with. In pre-war days the excise tax on cigarettes was $3 a thousand so the new rate of $4 is still in excess of the old figure. With cheaper cigarettes available to the public it is expected that some check may be given to the smuggling which makes inroads into sales despite vigilance of customs authorities.

Cheaper Smokes in U. S.

In the United States, where government taxes play a much lesser part in sale prices, cheap cigarettes have come to the fore in recent months. Certain cigarettes are now being sold at 10 cents for 20 in an effort to recoup some of the losses incurred through public exigency forcing smokers to roll their own from cut tobacco. Under the $6 excise tax in Canada it is stated that over 15 cents out of every 25 spent on cigarettes goes to the government.

What new prices will be placed in effect following the passing of the new bill has given rise to considerable guess work. Indications are that the reduction of practically 4 cents on a 25 cent package will lead to flat 10 cents and 20 cent packages though if present sizes are maintained the manufacturer would have to absorb a difference of 1 cent. This might be counteracted by reducing the size of cigarettes for it is felt that even amounts will be maintained in prices as odd change militates against cigarette sales.

Price Realty Pays Interest On Bond Issue

From Our Own Correspondent

MONTREAL. — Price Realty Corp. owner of Price House, Quebec, has paid the half yearly interest due November 1 on its $750,000 of 5½ per cent first mortgage bonds. Sinking fund on the issue, which became effective April last, has been fully serviced to date.

The bonds are secured, in addition to being a first charge on the property, by a notarial lease signed by Price Bros & Co. under which Price Realty receives sufficient income to take care of all charges. Under the proposals put forward by Lord Beaverbrook in June, Price Realty bondholders were asked to take 15-year, 6 per cent, income debentures; the proposals did not mature.

The property on which Price House is located comprises 20,344 square feet of land and Price Bros. & Co. occupies over 50 per cent in the building.

Wholesale Trade in Regina

The volume of business handled during 1930 by 58 wholesalers proper in Regina amounted to $15,723,500, 889 persons were employed, and the remuneration $1,342,700. Eleven handled food and tobacco with sales of $7,027,400 or 44 per cent of the total. Bulk tank stations, brokers, commission agents, etc., did business to the value of $26,002,200.

NOTICES

SALES EXECUTIVE

Aggressive, clean-cut sales executive with successful record, a man capable of creative thought and constructive ideas and having the sales instinct, vision and energy to rebuild a business. Wide experience in all phases of Marketing and Distribution through all channels from Manufacturer to Consumer, essential. Well-known, highly-regarded company has unusual opening with liberal salary for right man. Kindly give full particulars first letter, strictly confidential to Box 201 "The Financial Post," 1076 Bleury St., Montreal.

The Consumers' Gas Company of Toronto

NOTICE
of
ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on **MONDAY, the 14th DAY OF NOVEMBER, 1932, at 12 o'clock noon.**

By Order of the Board,
ARTHUR HEWITT,
General Manager.

Toronto, October 10th, 1932.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 183

Notice is hereby given that a dividend of Two and One-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1932, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1932. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager

Toronto, 21st October, 1932.

Borden's

COMMON STOCK DIVIDEND No. 91

A quarterly dividend of fifty cents (50c) per share has been declared on the outstanding common stock of this Company, payable December 1, 1932, to stockholders of record at the close of business, November 15, 1932. Checks will be mailed.

A. T. JOHNSTON,
President.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that the regular quarterly dividend of 20 cents per share and a bonus of 20 cents per share on the Class "A" shares, and the regular quarterly dividend of 20 cents per share and a bonus of 20 cents per share on the Class "B" shares of the company have been declared for the quarter ending November 30th, 1932, payable on December 1st, 1932, to shareholders of record at the close of business on November 12th, 1932. The transfer books will not be closed.

By order of the Board.
D. URQUHART,
Secretary.

Toronto, November 1, 1932.

BANK OF MONTREAL

Established 1817
DIVIDEND No. 278

NOTICE is hereby given that a DIVIDEND of TWO AND ONE HALF per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1932.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the FIFTH day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board,

W. A. BOG, General Manager
JACKSON DODDS, General Manager

Montreal, 18th October, 1932.

The Bank of Toronto

Dividend No. 205

NOTICE is hereby given that a Dividend of Two and one-half percent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November 15th, 1932.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the eighteenth day of January next, the chair to be taken at noon.

By order of the Board.
H. B. HENWOOD,
General Manager.

Imperial Oil Limited

DIVIDEND

NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

Notice is hereby given that a dividend of twelve and one-half cents (12½c.) per share, in Canadian funds, has been declared by the Directors of the Company and that the same will be payable in respect of shares specified in any share warrant of the Company of the 1929 issue within three days after the Coupon Serial Number THIRTY FIVE (35) of such share warrant has been presented and delivered to ANY BRANCH OF:

THE ROYAL BANK OF CANADA

such presentation and delivery to be made on or after the 1st day of December, 1932.

Payment to Shareholders of record at the close of business on the 15th day of November, 1932, (and whose shares are represented by share certificates of the 1929 issue) will be made on or after the 1st day of December, 1932.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of November, 1932, to the close of business on the 30th day of November, 1932.

BY ORDER OF THE BOARD
F. E. Holbrook,
Secretary.

56 Church Street,
Toronto, Ontario.

B. C. PULP OPENS TWO FIBRE PLANTS THO' ORDERS FEW

Company is Anxious to Keep Men at Work in Winter

From Our Own Correspondent

VANCOUVER.—The two mills of the B. C. Pulp & Paper Company at Woodfibre and Port Alice will be operated during the winter after several months' shut down.

The Woodfibre plant has already been re-opened and it will continue in production all winter, according to President Lawrence W. Killam. The Port Alice mill will resume operation early in December.

"Reopening of the two plants does not, unfortunately, reflect substantial betterment in the pulp business," said Mr. Killam. "We have been selling from stored stock since May, when the two mills were shut down, and we still have an accumulation of pulp to dispose of. However, we are anxious to maintain our staffs and we believe that in these times every effort should be made by industries to continue operation, even at reduced capacity."

Mr. Killam says that prices on the coast are still low and that demand is weak, but orders from the Atlantic coast and the Middle West, coupled with new business from Japan, have justified the company's decision to re-open.

Lumber Men Pleased

British Columbia lumber interests were pleased that Franklin D. Roosevelt was the choice of the United States as president, believing that a Democratic administration at Washington will probably result in a gradual relaxation of the tariff laws that have crippled their exports to the republic.

This sentiment, in opposition to President Hoover, was strengthened when the Republican specifically mentioned the lumber tariff in his transcontinental telephone speech from Washington on the evening of November 2.

On that occasion Mr. Hoover pledged his party to a continuance of a policy that has deprived British Columbia's lumber of its most important market.

"Regardless of what we get in the way of preferences from the British Isles," a leading lumber operator told The Financial Post, "the business we may develop with the British Isles during the next few years cannot begin to compensate for our loss of the United States market."

British Columbia's pulp, canned salmon and mining industries hail Roosevelt's success for similar reasons.

FAILURES INCREASE 4 PER CENT IN '32

Failures under the Bankruptcy Act as disclosed by The Canada Gazette for the week ending October 29, 1932, show a decrease of 7, figures being 1932, 45 and 1931, 52.

Figures for the whole period of the year up to October 29, 1932, are: 1932, 1,803 and 1931, 1,730, an increase of 73 or 4.2 per cent.

These are divided among the provinces as follows:

P. E. I.	6	12	6	
N. S.	42	63	21	
N. B.	69	67		2
P. Q.	554	582	28	
Ont.	664	748	84	
Man.	85	64		21
Sask.	125	62		63
Alta.	93	105	12	
B. C.	92	100	8	
	1,730	1,803	159	86

DIVIDEND NOTICES

Canadian Silk Products Corporation

Dividend Notice No. 12

Notice is hereby given that a dividend of Thirty-seven and one-half cents (37½ cents) per share has been declared on Class "A" shares of no par value, of this Company, payable December 1st, 1932, to shareholders of record at the close of business November 15th, 1932, for the quarter ending November 30th, 1932.

By order of the Board of Directors.
A. A. MUNSTER,
Secretary.

Nova Scotia Light and Power Company, Limited

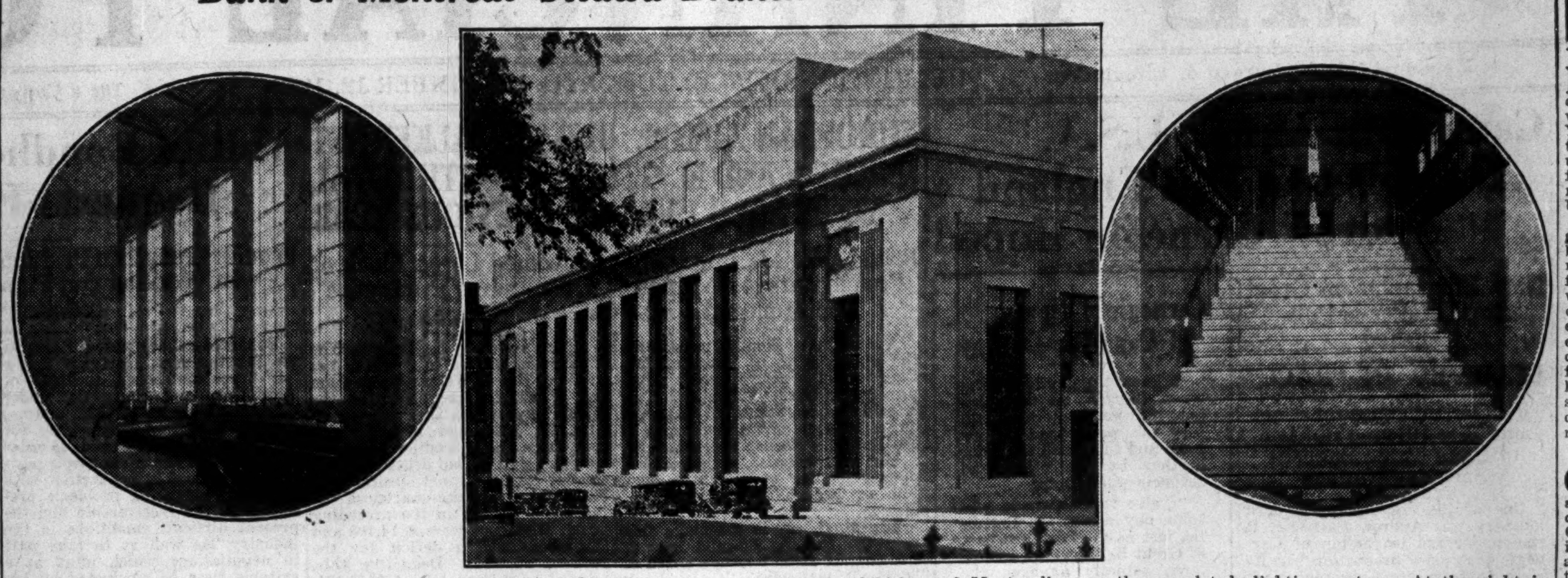
Preference Dividend No. 18

Notice is hereby given that a dividend of one and one-half per cent (1½%) for the quarter ending November 30th, 1932, has been declared upon the 6% Cumulative Preference Stock of the Company, payable December 1st, 1932, to shareholders of record at the close of business November 19th, 1932.

By Order of the Board,
C. J. HAYES,
Secretary.

Halifax, N.S., October 31st, 1932.

Bank of Montreal Ottawa Branch Wins Architects' Gold Medal



At the recent annual exhibition of the Royal Architectural Institute of Canada, the institute's gold medal for the building of the most outstanding architectural merit erected in Canada for the past three years was awarded to Barott and Blackader, architects, of Montreal, for their design of the Bank of Montreal's recently completed Ottawa branch of which three views are shown above.

The centre picture shows the O'Connor St. side of the building with the Wellington St. entrance at the right. The view at the left shows a portion of the interior and gives a good idea of the effective lighting system. At the right is a view of the stairway leading to the main banking room from the Sparks St. doorway which is considerably lower than Wellington St. entrance. The structure is of Queenston limestone and Stanstead granite.

Current Banking Events

Demand Deposits Show Increase of $5,302,345

September Bank Statement Reveals $7,153,123 Drop in Savings Deposits and $6,000,000 Decline in Advances Under Finance Act

Demand deposits in Canadian banks as at September 30 continued the increase started in August with an addition of $5,302,345 to the total, according to the combined statements of Canadian banks as issued by the Department of Finance at Ottawa. This increase was, however, more than offset by a decrease of $7,157,123 in savings deposits held. Interest due on bank balances increased by $13,155,290 in September over August.

Bank notes in circulation increased by $5,466,702 during September accompanied by a decrease of $6,000,000 in advances to banks by the Dominion Government under the Finance Act. Liability to the Dominion Government also showed a decline, this amounting to $3,141,838.

On the asset side, loans to municipalities fell by $7,046,093, being partly offset by an increase of $2,782,456 in loans to provincial governments. Holdings of public securities were $2,980,523 lower than in August. A decline of $973,517 in current loans was largely offset by an increase of $881,937 in Canadian call loans. Call loans abroad were down $1,198,398, and sums due by foreign banks were reduced $5,883,324 during the month.

In keeping with the decrease in advances under the Finance Act, holdings of Dominion notes were lower by $2,884,961, but gold reserves were increased by $1,250,000. The banks' holdings of Dominion Government securities remained near their peak at $494,202,066.

The Financial Post's credit index remained stationary during September at 60.7 being the same as for August. This index is based on the ratio of current and call loans in Canada to demand and savings deposits in Canada.

An analysis of the combined statement as prepared by The Financial Post follows. The official statement will also be found on this page.

	Sept., 1932	Aug., 1932	Change	Sept., 1931	Change
	$	$	$	$	$
ASSETS					
Immediately Available Liquid Resources					
Specie	55,479,261	55,687,846	— 208,585	71,496,219	— 16,016,958
Dom. notes	112,396,111	115,281,072	— 2,884,961	110,387,141	+ 2,008,970
Gold reserve	23,081,732	21,831,732	+ 1,250,000	24,230,866	— 1,149,134
Foreign banks	101,067,730	106,951,054	— 5,883,324	112,377,802	— 11,310,072
Foreign curr.	16,899,296	16,563,665	+ 335,631	14,929,699	+ 1,969,597
Govt. secs.	494,202,066	494,574,824	— 372,758	455,928,988	+ 38,273,078
Call loans ab'd.	95,193,231	96,391,629	— 1,198,398	90,095,595	+ 5,097,636
	898,319,427	907,281,822	— 8,962,395	879,446,310	+ 18,873,117
Loans and Securities Other Than Those of Canadian Government					
Public secs.	152,166,403	155,146,926	— 2,980,523	160,100,226	— 7,933,823
Railway secs.	52,874,237	53,392,053	— 517,816	61,548,049	— 8,673,812
Can. call loans	114,954,355	114,072,418	+ 881,937	166,575,719	— 51,621,364
Current loans	1,003,044,855	1,004,018,372	— 973,517	1,186,510,527	—183,465,672
Loans abroad	158,984,914	159,043,645	— 58,731	192,623,032	— 33,638,118
Prov. loans	22,193,954	19,411,498	+ 2,782,456	32,986,243	— 10,792,289
Mun. loans	116,621,877	123,667,870	— 7,046,093	114,793,151	+ 1,828,726
	1,620,840,595	1,628,752,882	— 7,912,287	1,865,136,947	—244,296,352
Other Assets					
Non-curr. loans	13,456,511	13,154,927	+ 301,584	10,309,759	+ 3,146,752
Real estate	7,510,487	7,365,977	+ 144,510	6,337,205	+ 1,173,282
Mortgages	6,284,693	6,008,345	+ 276,348	6,248,477	+ 36,216
Premises	79,924,670	80,056,768	— 132,098	79,466,204	+ 458,466
Lets. of credit	48,266,924	48,441,700	— 174,776	62,056,921	— 13,789,997
Loans to comp.	13,150,936	12,886,773	+ 264,163	14,733,840	— 1,582,904
Other assets	1,490,031	1,404,065	+ 85,966	1,700,136	— 210,105
	170,084,252	169,318,550	+ 765,702	180,852,542	— 10,768,290
Total	2,689,244,274	2,705,353,254	— 16,108,980	2,925,435,799	—236,191,525
Note cir. dep.	6,594,208	6,586,918	+ 7,290	6,814,154	— 219,946
Int. bank bal.	103,096,700	89,941,410	+ 13,155,290	113,198,066	— 10,101,366
Gross	2,798,935,182	2,801,881,582	— 2,946,400	3,045,448,019	—246,512,837
LIABILITIES					
To the Public					
Circulation	133,241,528	127,774,826	+ 5,466,702	139,908,403	— 6,666,875
Dom. Govt.	15,898,370	19,040,208	— 3,141,838	17,925,201	— 2,026,831
Prov. Govt.	31,867,029	32,308,054	— 441,925	22,117,872	+ 9,749,157
Govt. advances	23,000,000	29,000,000	— 6,000,000	19,500,000	+ 3,500,000
Deposits by Public					
Demand dep.	480,662,806	475,360,461	+ 5,302,345	594,275,249	—113,612,443
Savings dep.	1,359,389,475	1,366,546,598	— 7,157,123	1,455,518,906	— 96,129,431
Total	1,840,052,281	1,841,907,059	— 1,854,778	2,049,794,155	—209,741,874
Foreign dep.	307,144,396	306,551,609	+ 592,787	313,097,017	— 5,952,621
Due to Banks Abroad, Etc.					
Un. Kingdom	4,848,818	4,495,448	+ 353,370	4,939,359	— 90,541
Foreign	48,909,942	49,596,799	— 686,857	65,501,779	— 16,591,837
Bills payable	1,554,600	1,473,403	+ 81,197	5,375,678	— 3,821,078
Lets. of credit	48,266,924	48,441,700	— 174,776	62,056,921	— 13,789,997
Other liab.	2,165,810	2,136,422	+ 29,388	2,802,559	— 636,749
Public liab.	2,456,949,698	2,462,726,428	— 5,776,730	2,703,018,944	—246,069,246
Due bet. banks	14,214,283	10,852,570	+ 3,361,713	12,694,945	+ 1,519,338
Liability to Shareholders					
Dividends	720,174	3,007,943	— 2,287,769	800,442	— 80,268
Reserve	162,000,000	162,000,000	....	162,000,000	....
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,778,384,155	2,783,086,941	— 4,702,786	3,023,014,331	—244,630,176
Credit index*	60.7%	60.7%	....	63.5%	— 2.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

FOREIGN TRADE, BANKING SYSTEM DUE TO CHEQUE

Some Phases of Cheque Procedure Are Not Well Known

UNCONDITIONAL

In Some Cases Post-dated Cheques Have Advantages Over Notes as Security

Development of the use of bills of exchange, of which drafts and cheques are most common examples, is generally credited to Jewish traders and bankers of mediaeval times, and our present system of banking and the every day use of cheques as a means of payment are direct results of their ingenuity. In the course of centuries the principles of issue of bills of exchange have altered little although the reasons for their use have changed.

The difficulty of transporting bullion and coin, and the danger, even the probability of being robbed of it, originally brought about the use of bills drawn by one trader on another, the acceptor to do away with the actual movement of precious metals. Thus the faith in the integrity of the acceptor, which was originally built up from his commercial dealings, became the foundation on which our present system of banking to finance international trade was built.

Faith Necessary

Today the faith in the banks who are the acceptors of most of such instruments is a fundamental necessity in financing business. A bill of exchange in the form of draft or cheque is merely an instrument which allows the creditor of the bank to handle his funds while they are in the debtor's possession. A cheque is actually a bill of exchange, payable on demand, by which the drawer orders his bank to assign his credit to a third party, the payee.

Since the time of their development a definite procedure has been built around the use of cheques, but some of this procedure is not known to the public and even to bankers. For instance, it is perhaps not generally realized that a cheque drawn on a fictitious or non-existent party is actually payable to the bearer and may be cashed by anyone without endorsement other than for identification. Thus a cheque payable to "Cash," "Salaries," or to John Doe's brother, if he does not exist, may be cashed by anyone. Of course, the bank would have to have proof of his non-existence before being safe in handing over the funds.

Must be Unconditional

Generally speaking cheques must be unconditional orders to pay money. If a cheque on a Canadian bank is issued to a person resident outside Canada, say, "at current rate of exchange" in a foreign currency, it is not valid. Obviously the definite amount of the cheque is not stated in such an order, and its amount depends on conditions. In Canada we frequently see cheques issued "plus bank exchange," and usually the banks make no objection to clearing them. However they are open to question, although the exchange charges of the Canadian banks are so small and so uniform that there is little possibility of misunderstanding the meaning of the instrument.

Bankers and business people often question the value of post-dated cheques as security for loans, when actually such instruments have many advantages over promissory notes for this purpose. For one thing, in order to collect, it is not necessary to present the cheque on the exact due date at the place at which it is drawn, which in some cases is an inconvenience to the holder of a note. It is merely necessary in the case of such a cheque to present it to the bank within a reasonable time of its date to collect. There are, of course, no days of grace allowed or interest payable on such an instrument, but the latter may be allowed for in the face amount. Post-dated cheques actually have exactly the same position in law and in rights of collection as promissory notes. They also eliminate the need ever to deal with the debtor again as the bank has full instructions in the cheque to proceed with payment.

Reasonable Time Varies

The reasonable time required for presentation of post-dated cheques raises some nice points in courts of law at times. Often years elapse before cheques are presented. The case is cited of the man who received a cheque for five cents and was so piqued with the curiosity that he framed it and hung it in his office for exhibition to visitors. In such a case the bank was not troubled, but the drawer showed the amount as an outstanding item on his books for a long time.

In the case of certified cheques the bank becomes responsible for payment if the cheque is accepted by it at the request of the holder. When this occurs the maker loses all control over the instrument and cannot stop payment unless, of course, he holds the cheque himself. The bank might allow him to stop payment on such an instrument, but it is under no obligation to do so.

Marked Cheques

Marked cheques are actually as good as cash, the security of such instruments being as good as the solvency of the banks on which it is drawn, which, in the case of Canadian banks, is sure.

We still see cheques marked "& Co." in use, although this form of marking is becoming less common. This practice harks back to times when the banking business in England was largely in the hands of private firms with several partners, the firm name being a combination usually ending in "& Company." It does nothing to alter the status of the instrument and is meaningless in the present day. Originally it merely gave local status to cheques drawn on such small private banks in England. The Scottish system of branch banking which later invaded England and which is the basis on which our Canadian system is founded, did away with this form.

Bank Chat

Imperial Bank of Canada announces the following changes in staff appointments:

A. H. WEAVER, formerly manager at Calgary, Alta., to be manager at Dundas and Victoria Sts. branch, Toronto.

J. A. WETMORE, formerly manager at Brandon, Man., to be manager at Calgary. Mr. Wetmore joined the staff in 1897 at Brandon, and from 1907 to 1920 was manager at Regina and for the past nine years has been in charge at the Brandon Branch.

R. CARSON, formerly manager Dundas and Victoria Sts. Branch, Toronto, and formerly assistant manager at Winnipeg, to be manager at Brandon.

W. A. PATTERSON, formerly manager Edmonton South branch, to be manager at Amherstburg, Ontario.

J. M. KINNEAR, formerly manager at Jasper, Alta., to be manager at Edmonton South branch.

J. MURRAY LAY, for the past eighteen years manager of the Imperial Bank at Vancouver, has joined C. M. Oliver & Co., bond and stock dealers. Mr. Lay first went to British Columbia 34 years ago to manage the Nelson branch of the Imperial Bank.

The Royal Bank of Canada has made the following changes in staff appointments:

A. C. ROBERTSON, manager at Ciudad Bolivar branch, to be manager at St. John's, Antigua.

C. B. FLETCHER, manager of the New Amsterdam, British Guiana, branch, to be manager of the Georgetown, B.G., branch.

C. H. BIBLE, of Toronto branch, to be manager of Pape and Danforth Ave. branch, Toronto.

NOTE CIRCULATION $1,022,271 LOWER

Issues Under the Finance Act Decline by $6,000,000

Total of Dominion notes in circulation declined by $1,022,271 to $153,137,875 during September, but gold held in excess of statutory requirements also fell during the month from $4,526,012 to $881,293, according to the report in circulation and specie issued by the Department of Finance.

Notes issued under the Dominion Notes Act, 1915, were unchanged during the month at $26,000,000, but issue under the Finance Act declined by $6,000,000 while issue under the Dominion Notes Act, 1927, increased by $4,977,729. As the decrease of notes issued under the Finance Act does not serve to bolster the proportion of the Department's gold holdings and as the increased issue under the 1927 Notes Act requires dollar for dollar gold coverage, these two factors account for the substantially lower excess of gold held over statutory requirements. Actual gold holdings increased $1,316,765 during the month.

Of the total circulation, $105,151,000 was in $1,000, $5,000 and $50,000 notes used as legal tender between banks, most of which are generally on deposit in the central gold reserves as security for issues of bank notes. Of the remaining $47,986,875 in circulation, $33,951,952 was in fractions of one dollar and one and two dollar notes.

Gold holdings as at September 30, 1932, were as follows:

Gold Held by Minister of Finance at September 30, 1932

Against Savings Bank deposits (10% of $23,311,193)	$ 2,331,119
Against Notes under Dom. Notes Act, 1927	66,637,876
In excess of statutory requirements	881,293
	$69,850,288

New Brunswick Butter Output

Creamery butter production in New Brunswick during September, at 217,000 lb. showed the phenomenal increase of 63.2 per cent over the output in September, 1931. The increase for the nine months period amounted to 10.6 per cent, the production being 2,140,926 pounds.

Foreign Exchange

HEAVINESS of the Canadian dollar in terms of gold standard currencies was pronounced during the week ended Nov 7. In terms of New York funds, Canadian dollars dropped to 87⅛ on Nov. 7 in spite of the usual seasonal demand for Canadian funds at this time and despite shipment of $1,496,000 in gold to the United States on Nov. 1.

Canada's increased production of gold, most of which has been absorbed by the Government at the current rate of United States exchange, has facilitated such movements of bullion without the need of purchasing bills on New York. This has to some extent removed a further disturbing effect on U. S. exchange, but at a considerable cost. Of course this favorable effect on Canadian dollars has been partly offset by the necessity of gold mining companies purchasing United States dollars for payment of dividends.

* * *

CHIEF among the causes of the latest sudden decline of the Canadian dollar is the newly announced change in the monetary policy of the Government with intentions of easing bank credit in Canada. The issuance to the banks of $35,000,000 in two-year treasury bills as security for a loan and their subsequent rediscount by the banks with the Treasury Board, while stated by the Government to be merely a means of expanding credit in Canada, has caused something of a mild "flight from the dollar;" this time the Canadian unit.

The denial by the Government in the House of Commons that it would consider any inflationary measures, may reassure nervous observers of the situation. At the moment, however, the denial does not weigh heavily in the foreign exchange market.

New York Funds

	High (Premium)	Low	Last Year High (Premium)	Last Year Low
	%	%	%	%
Nov. 1	10 11-16	10 1-16	11 1-2	11
Nov. 2	10 1-8	9 7-8	11 3-8	10 7-8
Nov. 3	11 1-16	10 3-8	11	10 5-8
Nov. 4	12 3-16	10 7-8	11 1-16	10 3-4
Nov. 5	13 1-4	12	11 1-8	10 5-8
Nov. 7	15 1-2	13 1-4	11	10 3-4

Sterling, Francs and Lire Close Demand in New York

	Sterling	Francs	Lire
Nov. 1	3.29 7-8	3.92 13-16	5.11 3-4
Nov. 2	3.31 5-8	3.92 15-16	5.11 3-4
Nov. 3	3.29 3-8	3.93 1-4	5.11 5-8
Nov. 4	3.29 1-4	3.93 3-16	5.11 3-4
Nov. 5	3.29 3-4	3.92 15-16	5.11 3-4
Nov. 7	3.30 1-2	3.92 5-8	5.11 5-8

Close Demand in Toronto

Par		Oct. 24	Oct. 31	Nov. 7
5.26	Italian	5.55¼	5.65¾	5.88¾
23.80	German	25.79	26.28½	27.30
13.90	Belgian	15.07	15.31	15.96
49.80	Japanese	24.95	24.06	24.15

BANK SAYS TRADE IS LITTLE BETTER

Bank of Commerce Feels No Great Improvement Has Been Made

Monthly commercial letter of the Canadian Bank of Commerce gives a brief commercial survey of the more important countries. In Britain, ill effects of strikes in Lancashire and decreased export business have been partly offset by increased employment and comparatively favorable conditions in the motor, chemical and woollen trades.

In the United States the current seasonal expansion has been greater than in the corresponding period of 1931 and more prolonged than in late summer and early autumn in 1930 and 1929.

Of general world conditions the letter then says: "It will be apparent from the foregoing brief summary that there has been no spectacular upward movement in world business from the abnormally low point to which it had sunk in the past summer. Even if the developments just described are regarded as encouraging, it would be well to keep in mind that they have been brought about partly by seasonal influences and, further, that they have made no deep impression upon the forces which have worked so long and actively to depress business. But having regard to the fact that the recent improvement was more pronounced than that of a year ago, it is reasonable to assume that the resistance against depression is greater

Weekly Bank Clearings

	Nov. 5, 1931	Nov. 3 1932
Halifax	$ 3,011,007	$ 2,169,667
Saint John	2,586,178	1,758,365
Moncton	833,460	706,716
Sherbrooke	747,655	588,308
Quebec	6,634,435	4,903,686
Ottawa	8,710,581	4,405,757
Montreal	125,502,110	95,535,990
Kingston	910,676	585,709
Peterborough	870,091	610,603
Toronto	107,693,648	104,483,821
Hamilton	5,688,188	3,779,343
Kitchener	829,302	1,014,972
Brantford	959,912	809,943
London	3,391,854	2,777,711
Chatham	563,301	476,939
Windsor	2,817,189	2,303,373
Sarnia	518,901	340,157
Sudbury	565,869	549,941
Fort William	$ 739,715	$ 548,249
Winnipeg	77,528,859	48,081,711
Brandon	493,314	441,561
Moose Jaw	694,200	716,978
Prince Albert	467,705	266,224
Regina	6,415,521	5,127,474
Edmonton	4,948,805	4,281,778
Calgary	7,935,720	6,513,837
Medicine Hat	358,500	261,958
Saskatoon	2,367,987	1,800,719
New Westminster	658,648	494,374
Lethbridge	590,458	415,084
Vancouver	16,883,587	14,300,975
Victoria	2,060,755	1,411,032

Position of Chartered Banks of Canada as of September 30, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	34 116,716	10,898,808	....	4,878,923	125,222,165	390,712,329	65,812,198	2,936,746	1,074,757	8,446,278	291,504	8,252,723	1,485,558
Nova Scotia	11,495,970	787,528	....	5,336,814	31,712,258	128,896,615	33,669,009	3,192,848	174,127	1,747,241	176,274	4,991,457	120,042
Toronto	6,203,354	256,000		946,485	20,884,717	58,825,603	....	443,496	153,184	1,125,310	502,920	686,608	141,396
Provinciale	3,514,402	230,817	500,000	21,344	4,355,810	31,959,358	....	31	....	39,001	....	13,282	27,272
Commerce	24,081,876	820,618	2,000,000	5,929,616	107,749,983	280,562,540	37,498,323	2,415,361	684,321	10,753,541	43,165	12,106,804	....
Royal	30,474,003	1,540,670	7,000,000	6,911,832	126,080,756	258,050,056	167,368,006	730,124	376,813	22,735,426	540,737	20,301,812	55,418
Dominion	6,133,350	339,845	2,500,000	865,484	24,018,349	60,628,568	1,476,026	589,712	37,827	969,974	....	1,007,157	331,078
Nationale	8,701,654	442,126	9,500,000	1,678,829	16,659,062	80,419,770	1,320,834	1,808,914	11,940	201,620	....	425,208	....
Imperial	8,264,208	483,136	1,500,000	5,145,397	22,764,069	68,613,871	....	1,631,637	230,024	1,489,570	....	468,250	....
Barclays (Canada)	255,995	100,822	....	152,305	1,215,637	730,736	....	465,414	2,105,825	1,401,981	....	13,623	5,000
Total	133,241,528	15,898,370	23,000,000	31,867,029	480,662,806	1,359,389,475	307,144,396	14,214,283	4,848,818	48,909,942	1,554,600	48,266,924	2,165,764

NAME OF BANK	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	% Last dividend	Loans to Directors and firms of which they are partners*	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ
	$	$	$	$	$	$	%	$	$	$	$
Montreal	25,063	38,000,000	36,000,000	728,151,773	50,000,000	36,000,000	10	3,204,784	19,846,079	58,426,771	36,267,151
Nova Scotia	425,292	24,000,000	12,000,000	258,725,479	15,000,000	12,000,000	14	2,716,404	9,803,930	7,543,025	12,052,467
Toronto	4,972	9,000,000	6,000,000	105,174,049	10,000,000	6,000,000	10	1,280,821	383,700	3,827,790	6,419,919
Provinciale	8,029	1,500,000	4,000,000	46,169,349	5,000,000	4,000,000	9	677,456	247,766	456,672	3,900,992
Commerce	23,490	30,000,000	30,000,000	544,669,646	50,000,000	30,000,000	10	6,392,474	10,695,000	10,648,000	25,062,204
Royal	47,223	35,000,000	35,000,000	712,212,912	50,000,000	35,000,000	10	3,597,883	12,698,655	10,157,308	31,476,339
Dominion	176,565	9,000,000	7,000,000	115,073,939	10,000,000	7,000,000	10	1,398,803	624,000	2,450,000	6,619,170
Nationale	6,997	7,000,000	7,000,000	135,176,957	10,000,000	7,000,000	10	493,742	982,566	1,448,828	9,143,700
Imperial	2,543	8,000,000	7,000,000	125,592,710	10,000,000	7,000,000	10	476,935	509,256	3,046,283	8,600,580
Barclays (Canada)	....	500,000	500,000	7,437,341	500,000	500,000	......	....	9,689	91,606	272,150
Total	720,174	162,000,000	144,500,000	2,778,384,155	210,500,000	144,500,000	......	20,239,302	55,800,741	98,096,283	139,814,656

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	19,775,828	60,556,603	2,317,813	299,117	21,704,587	1,000	3,059,758	15,741,673	187,418,004	47,127,873	8,064,850	4,942,367	29,256,037
Nova Scotia	9,772,217	7,409,240	738,315	1,257,155	8,013,624		1,422,659	6,476,784	42,955,021	18,378,212	8,048,394	14,363,257	3,150,696
Toronto	395,435	3,896,116	421,145	25,592	4,741,156		832,991	1,205,737	25,609,634	7,689,089	1,445,211	5,320,776	
Provinciale	264,313	384,214	355,170	21,667	1,485,267	949,959	574	104,294	8,545,800	4,557,677	3,520,763	5,075,091	
Commerce†	10,801,371	10,468,521	1,679,580	624,100	18,074,213	6,302	715,769	16,609,878	91,330,135	29,894,389	14,129,334	31,820,674	27,697,072
Royal‡	12,642,586	20,502,143	2,274,373	14,554,906	21,033,217	3,011	2,683,703	42,248,742	72,806,068	24,466,382	11,277,856	30,884,522	32,954,647
Dominion	635,396	3,810,842	584,845	35,363	3,692,562		125,900	1,491,343	21,410,426	5,309,502	2,851,516	9,426,881	1,134,779
Nationale§	993,160	1,627,774	526,375	57,350	4,160,790	283,209	802,348	1,261,589	21,314,579	9,514,620	3,340,852	7,208,820	
Imperial	486,989	3,529,080	609,475	22,668	6,229,983	607,952	2,112,221	1,776,492	22,358,814	5,105,545	164,129	5,843,967	1,000,000
Barclays (Canada)	11,966	201,578	10,427	1,378	876,918	1,715,432	2,181,066	214,209	363,495	123,114	31,332	68,000	
Total	55,479,261	112,396,111	9,517,518	16,899,296	90,012,317	3,566,865	13,936,989	87,130,741	494,202,066	152,166,403	52,874,237	114,954,355	95,193 231

NAME OF BANK	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves°	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	235,535,186	17,278,647	5,928,802	33,805,211	4,224,525	429,924	1,251,294	14,500,000	8,252,723	1,542,872	8,000,000	276,730	106,458	781,397,891
Nova Scotia	96,611,616	12,833,397	369,523	9,729,793	860,300		110,774	8,017,540	4,991,457	564,672	750,000	2,789,366	116,850	259,730,875
Toronto	44,031,272			4,668,649	273,210		63,443	3,830,512	686,608	306,603	630,866			106,164,055
Provinciale	18,359,842			1,426,374	140,752		384,804	2,195,161	13,282	199,109				46,789,624
Commerce†	189,301,439	17,141,826	9,210,379	31,255,387	2,682,567	607,103	2,359,046	15,224,458	12,106,804	1,250,000	8,000,000	4,009,791	198,320	549,029,213
Royal‡	249,737,638	110,938,415	1,508,733	12,325,252	4,017,368	2,604,474	857,724	17,829,423	20,301,812	1,600,000	2,500,000	6,075,049	331,693	718,797,553
Dominion	54,226,187	671,289		1,686,384	476,882	2,432,800	23,241	6,028,998	1,007,157	332,425	400,000		341,169	115,554,488
Nationale§	58,444,481	121,340		11,831,483	323,053	72,664	754,519	5,957,929	425,208	366,773	1,500,000		129,899	136,713,989
Imperial	57,225,074		4,600,155	9,893,344	413,210	1,191,098	479,848	6,340,659	468,250	427,282	1,300,866		96,473	127,318,712
Barclays (Canada)	1,572,120		576,362		39,644	172,424			13,623	14,472			169,069	7,438,782
Total	1,003,044,855	158,984,914	22,193,954	116,621,877	13,456,511	7,510,487	6,284,693	79,924,670	48,266,924	6,594,208	23,081,732	13,150,936	1,489,931	2,798,935,182

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*Of this deposit $11,081,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Commerce Shares Rank High Among Bank Stocks

Development Has Kept Pace With Canada's from Date of Confederation—Present Profits and Dividends Down in Line With Depression Conditions

With 300,000 shares of $100 par value distributed among investors mainly in Canada, Canadian Bank of Commerce shares have long held a place as one of the market leaders among Canadian bank stocks. The bank started into existence under its present name in 1866, the same year that the Canadian provinces were confederated into the Dominion, but it was first organized as the Bank of Canada in 1858. Through the Halifax Banking Company, absorbed in 1903, it dates back to 1825. The company therefore has won by right of length of service and intimate association with every feature of Canada's economic development a double right to the name which it bears.

At the end of its first period on June 30, 1938, the bank had capital of $916,539, surplus of $362, reserve of $40,000 and total assets of $2,997,081; its demand and savings deposits together amounted to $1,302,481 and the net profit was $97,783. On November 30, 1931, the capital of the company stood at $30,000,000, reserve at $30,000,000, surplus at $535,683 and total assets at $640,785,420; demand deposits were $122,177,658 and savings deposits $376,910,287; while net profit for the year was $4,774,924.

Absorbed Eight Banks

This huge change was wrought because the company has been through most of its career under experienced, enterprising and wise guidance and because its natural growth was supplemented by absorbing the following banks: 1870, the Gore Bank founded in Hamilton in 1835; 1901, the Bank of British Columbia with its branches in San Francisco, Portland and London, Eng.; 1903, the Halifax Banking Co.; 1906, the Merchants Bank of Prince Edward Island; 1912, the Eastern Townships Bank; 1923, the Bank of Hamilton; 1925, the Pacific Bank of Portland; and 1928 the Standard Bank of Canada.

Net Profits Now Lower

The company paid dividends of 7 per cent from 1890 to 1905 and then steadily advanced in earnings until it was paying dividends of 13 per cent from 1920 to 1930, 12 per cent in 1931 and at present 10 per cent. Like every other Canadian bank, net profits have been affected by the business depression and especially by the low prices being paid for all farm products and the consequent necessity the great banks feel themselves under to help out various ticklish situations at different points in the Dominion. Its net profits of $4,774,924 were the third highest in its history even at that and amounted to $13.08 a share, lower than usual on a per share basis since the war. It is probable that net profits for the year ending on November 30, 1932, will show a still lower level in view of the drop in dividends to 10 per cent.

Gives High Yield

Current quotations for the stock are just under 150. The stock's high point for all time was 360 in 1929 and at no time from the end of 1925 to near the end of 1931 did the price go under 200. It has fallen in sympathy with general stock levels and because the period of Canadian expansion is halted for the time being by the depression. Though held in most years in great favor as an investment stock on which the yield was in the neighborhood of yields on good provincials and municipals, the yield is now about 6 2/3 per cent. Such a yield cannot be expected in a period when the stresses of the present period have been successfully passed and investors feel sure that dividends are once more constant or on the upgrade. In a time of business uncertainty the double liability attaching by law to all Canadian bank stocks also leads conservative investors to limit their holdings of bank stocks to less than 20 per cent of their total holdings.

Is an Investment Opportunity

Yet these very difficulties constitute also an investment opportunity. To those with a background of historical knowledge, who can see in the present difficulties of all countries but a stage in a phase of modern life which will itself pass in time, there is strong assurance that clouds will pass and that Canadian development, arrested for a while, will once more go forward at as fast a pace as ever. When, as and if that happens a company like the Canadian Bank of Commerce cannot help but benefit throughout its whole structure. In such a case and during such a period it would be reasonable once again to expect bank stocks of leading well-run companies to advance materially in value. In a growing country there are always times like the present when the risks of banking assume a larger place in people's minds than they usually do but also in such a country the rewards are apt to be much greater as confidence is restored and development proceeds.

"Rights" May Come Again

The history of the bank suggests that steady holders of the stock will have from time to time chances for further profits in a period of expansion. They have had in the past not only the opportunity to profit with the natural increase in value of the stock as earnings and dividends have advanced but three times this century subscription rights were offered to shareholders, in 1905 when the rights were equivalent to a $4 bonus dividend, in 1911 when they were equivalent to $11 a share and in 1929 when they were equivalent to $28 a share to those who took advantage of the then market.

If Canadian development resumes this bank will have to expand again. It is prepared to do so as evidenced by the fact that it has an authorized capitalization of $50,000,000 while capital outstanding is $30,000,000. This is doubtless under present conditions a long view but it is held by many of the present holders who will not relinquish at present prices.

Steel of Canada

Among my holdings are some common shares of Steel Co. of Canada. Have any figures on earnings been published this year, and do you think the company will be able to maintain its present rate of disbursement?

The steel industry is having a difficult time. Operations are at a very low ebb and until industrial conditions improve prospects for increased plant operations are not impressive. Steel Co. of Canada, however, is fortunate in that it has a widely diversified output and this factor, to some extent, enables the company to maintain its position. Earnings during the current year are understood to be considerably lower than last year but the company does not publish any interim figures on profits. Revenue was not sufficient to cover common dividend requirements in 1931, and indications are that they will fall short of the disbursement, which is still maintained, in 1932. The company is generally regarded as one of the strongest industrial organizations in Canada; it has built up a noteworthy financial position. Any improvement in industrial activity would find quick reflection in its operations, but the possibility of a reduction in common dividends cannot be discarded in view of existing circumstances.

International Power

I am interested in the position of International Power Co. from the point of view of a debenture holder. I have tried to get some information on earnings this year but have not seen any figures. Can you tell me how the company is getting on?

Though International Power Company has not published figures on its earnings during the current year, our understanding is that they have been sufficient to cover interest requirements after all charges. In fact, it is reliably stated that the position of the company is slightly better than at this time last year. In 1931, debenture interest was earned 2.78 times and though preferred dividends have been suspended, net profit was sufficient to cover a full year's disbursements.

Maintenance of the company's position is due in part to realization of benefits accruing from expansion carried out in recent years. Substantial expenditures have been made on plants of the various companies controlled, operating scope has been widened, and working expenses have been kept in hand. Though its chief subsidiary, Porto Rico Power Co., recently sustained considerable damage through a hurricane, good progress has been made in rehabilitation of the system, which is now operating nearly on a normal basis.

Brazilian, Dom. Stores

Please give me information regarding Brazilian and Dominion Stores common stocks. I want some stocks on which I can make something in a month or so.

Brazilian common stock cannot be counted upon until the exchange on the Brazilian milreis becomes more dependable and that cannot become dependable until the business, financial and international trade situation of Brazil has been considerably improved.

Dominion Stores has had declining business this year to a certain extent but throughout the depression has managed to show a very favorable situation, with regard to earnings to apply to dividends.

Gypsum, Lime

As a subscriber to The Financial Post could you tell me something about the position of Gypsum, Lime, Alabastine, Canada? I know that earnings have fallen off this year but would like to know what future prospects are from the angle of the common stock.

Gypsum Lime is the largest factor in the industry it serves in Canada and has expanded its operations substantially since the inception of the present company in 1927. In addition to widening its domestic scope the company has built up a considerable market for export sales and it may be assumed that the company's operations would be fairly quick to reflect an improvement in building. At the end of 1931 funded debt, including bonds of a subsidiary, totalled $4,338,843; these were the only securities senior to the 450,876 no par common shares. Earnings last year were equal to 8 cents a share, and, as you know, dividends were suspended some time ago. Liquid position, we understand, has been maintained though earnings have declined this year.

Canadian Car

Can you give me an idea as to how Canadian Car and Foundry Co. made out last year? What is the company's position and prospects? I hold some of the preferred stock.

Financial statement of Canadian Car and Foundry Co. for the fiscal year ended September 30, 1932, is expected to reveal a loss on operations for the period. Railways have withheld all major orders for new equipment in the past year and there has been practically none of this work going through the company's shops. On the other hand, income from its investments will stand the company in good stead. The last balance sheet showed Dominion of Canada bonds at $2,135,290 and miscellaneous investments at $741,660. Common dividends have been deferred but preferred disbursements are presently maintained. Surplus at September 30, 1931, was $6,055,048.

The fact that depreciation and obsolescence are making inroads into equipment of Canadian railways must eventually result in business for Canadian Car while the company's strong financial position should enable it to withstand the effects of hard times until railroad activity improves.

McColl-Frontenac

Have general business conditions affected earnings of McColl-Frontenac Oil Co. this year? My understanding is that gasoline sales have fallen off; is this so?

Operations and earnings of McColl-Frontenac Oil Co. have been well maintained this year, running close to those of last year. Fuel oil consumption has been on a reduced scale reflecting the slowing down of industrial operations, but sales for gasoline for transportation purposes have been maintained. Substantial exansion policies adopted in the past few years are being pursued on a conservative basis. The company plans to establish a unit at Fort William which will provide storage capacity for 2,500,000 gallons of gasoline and oil. The company is now one of the largest factors in the industry it serves and should be fairly quick to reflect the effects of improved business conditions. In the year ended January 31, 1932, earnings, after all charges, were equal to $1.81 a share on the common stock; or more than three times dividend requirements.

Bell Telephone

I am interested in the stock of Bell Telephone Co. of Canada. I understand that the company is having a hard time and would like to know whether it can maintain the present dividend. Are future prospects favorable?

Bell Telephone Company of Canada does not issue interim figures on earnings and it is not possible to obtain details of revenue to date this year. That profits are lower seems to be inevitable though this has been offset to some extent by a second reduction in salaries and wages effective in May last. In 1931, the company earned $7.56 a share and as you know, dividends have been reduced to an annual basis of $7 a share The possibility of a further reduction must be considered, though no definite word on this is available. The company has an excellent record and should be quick to reflect the effects of improved business conditions.

Imperial Tobacco

Is the dividend on the ordinary stock of Imperial Tobacco Co. of Canada payable in English currency or Canadian? I have considered this stock as a purchase; what are the prospects for the future?

Dividends on the common stock of Imperial Tobacco Co. of Canada are paid in Canadian currency at the rate of 7 per cent on the stock of par value $5. In 1931 a final dividend of 20 cents a share was paid in addition to the regular disbursement. Payments on the common stock have been maintained without interruption since 1912 and the last balance sheet showed a strong financial position.

The company is by far the largest factor in the Canadian tobacco industry. Consumption of cigarettes in the past has shown steady growth and though sales in the past two years have shown declines, it may be expected that further progress will be made in the future. Reduction in excise taxation is expected to help the company by stimulating sales of cigarettes.

Shawinigan

Please be good enough to give me an idea of earnings of Shawinigan Water and Power Co. this year. Have they shown a falling off, and is it true that dividends have been reduced?

Gross revenue of Shawinigan Water and Power Co. in the nine months ended September 30, 1932, (latest figures available) was $9,442,285 compared with $10,234,841 in the same period last year. After charges and interest, including $579,004 required for U. S. exchange, surplus was $2,438,068 compared with $3,557,669 in the first nine months of 1931. These figures are before depreciation and income tax. Coincident with publication of these figues directors reduced the common dividend from a former rate of $2 a share to the present rate of $1 a share annually.

Canada Power

I have some old Canada Power and Paper debentures, Laurentide series, but have not exchanged them for the new securities of Consolidated Paper Corp. On what basis are they exchangeable and am I able to do this now?

Canada Power and Paper debentures are exchangeable into $15 of new first mortgage bonds and 1½ shares of new stock of Consolidated Paper Corp. for each $100 of old debentures. The new certificates are being mailed out to those who deposited their securities in the first place. We understand that an opportunity will be given to those who have not deposited their bonds to take advantage of the exchange offer at a later date.

If you are the holder of a bearer bond and wish to make the exchange, you would be well advised to send in your name and particulars of your holdings to the secretary, Consolidated Paper Corp., Sun Life Building, Montreal. Our understanding is that the company is anxious to obtain such names, so that it can send a notice to bondholders when the time comes. If the company has not your name on file, you may overlook any advertisement in the newspapers directed toward old bondholders and thus lose your chance of making the exchange.

Kirkland Con. Gold Mines

We have received recently a newspaper called "Gold Standard News." This paper features the selling of preference shares of Kirkland Consolidated Gold Mines, Ltd. Can you advise us as to the merits of this publication and offering?

Kirkland Consolidated Gold Mines has a small party at work on a gold prospect in Gauthier Township, about 12 miles east of the producing section at Kirkland Lake, Ontario. The property has been known for many years and important exploration parties who have been searching the area never regarded it as having importance. The present developments are purely in the nebulous stage and there is no cause as yet for waxing enthusiastic about its possibilities.

The guiding spirit, behind the company is J. M. Ryan who is well known for his previous mining activities, none of which work out to the advantage of investors. "The Gold Standard News" is a house organ for the Dollar Share Corporation, fiscal agents for the Kirkland Consolidated Gold Mines. We might also add that the Dollar Share Corp. is Mr. Ryan's company.

Home Oil Co.

Will you please give me your opinion on Home Oil—its present position and future possibilities?

Home Oil Co. proved a great disappointment to investors as its wells failed to maintain the production anticipated. The action of the Alberta Gas Commission in conserving the gas formerly wasted in the Turner Valley field also had an important bearing on the production from the Home Oil wells and the result has been that earnings have dropped almost to a negligible point. In 1931 the total net profit after depreciation and depletion was $626. There is nothing to indicate that the company's earnings position will improve in immediately succeeding months. This summer it purchased an interest in two gold properties in British Columbia which are now under development. The company, however, has not sufficient funds to conduct any conclusive programme and unless there is some unforeseen turn in the company's production from its Turner Valley wells, operations for 1932 will show a loss.

Gordon Lebel Mines

One of our clients owns some shares of Gordon Lebel Mines Ltd. which do not appear to be quoted now.

No doubt they are worthless today but if you can secure any information regarding them, we will appreciate it very much.

Gordon Lebel Mines, Ltd., owns a gold prospect, adjoining Moffatt-Hall property, east of the producing section at Kirkland Lake. This area has not responded to development in a satisfactory manner, and the Gordon Lebel property has only had surface work and some diamond drilling done. It has not been active for several years, and there is nothing to indicate that interest will be revived in the company or its holdings. The shares are not listed and there is no market for them.

Trade is Proposed

I have been offered $10,000 of Ontario Hydro-Electric Power Commission bonds due 1952 which carry the guarantee of the province, for $9,000 of Toronto 4½ per cent bonds, due in 1948. The Toronto bonds are payable in New York and Canada, the Hydro bonds in Canada only. In the latter case the interest rate varies from 3½ to 5 per cent. The exchange would involve cash payment of over $100. I am told that the interest on the Hydro bonds would be greater by $650 over the period and that I would get $1,000 more at maturity. The investment is for the estate of a young girl who does not need the income now.

I am told that the province and the Dominion have the power to lower their interest rates while the City of Toronto cannot do this. I am advised not to make the exchange on this basis and my adviser feels that in the future the Hydro bonds will not be as good. as they have been in the past. Do you consider the provincial guaranteed bonds as good as the Toronto bonds?

The proposal that you trade $9,000 4½ per cent bonds of the City of Toronto, due 1948, for $10,000 of Ontario Hydro-Electric Power Commission bonds guaranteed by the Province of Ontario coming due in 1952 appears to be a reasonable deal in view of financial requirements of the owner. We can make no statement as to the prices on which the deal is based, since accrued interest must be taken into consideration and the amount of interest would depend upon the time at which the transaction went through. Recently, this issue of Hydro bonds was quoted at 88⅜ to 88⅝ to give a yield of approximately 5⅛ per cent to maturity while the market on the Toronto bonds was approximately 97½ to 98 to give a yield of 4.7 per cent to maturity. These are approximate prices on November 3 and may vary in some slight degree from the price quoted to you for the proposed trade.

The yield to maturity on the Hydro bonds is somewhat higher than you would secure on the city of Toronto bonds although interest payments during the next five years will be smaller than you are now receiving. The return of principal at maturity of the bonds is increased by $1,000. Since the Toronto bonds are payable in New York funds which now command a premium of some 10 per cent you would not profit by present exchange rates when holding the Hydro bonds since they are payable in Canada only. This feature of New York payment adds slightly to the marketability of the bonds, but since you are investing for a long period you are naturally more interested in security of principal than you are in the matter of marketability.

As your advisor suggests there is some possibility of a scaling down of interest rates but we failed to see where bonds of the City of Toronto will be any more secure than will Ontario guaranteed bonds should this occur.

A forced conversion into bonds carrying a lower interest rate does not appear to be a probability at the present time. Under its guarantee of the Hydro bonds the Province of Ontario has pledged its credit which stands quite high at present. If this credit were injured, the market prices of Ontario direct and guaranteed obligations would suffer, but it is very difficult to foresee a time when the province would have to default on its obligation and since you can hold these bonds for some 20 years, fluctuations in market price would matter very little.

There is one other point that should be considered and that is that if the trend of interest rates continues downward as is expected by many investment authorities, the market price of the Hydro bonds would appreciate to a greater degree than would the price of the Toronto bonds, due in 1948. It is equally true that the market price would go down more rapidly should interest rates tend to rise.

King Edward Hotel

Can you give me any information regarding King Edward Hotel Co. in which I hold some stock? What is the financial condition of this company and what are its future prospects?

While no financial statement has been issued for King Edward Hotel Co. for the year 1931, we understand that the company had a larger deficit than in 1930 when a loss of $389,773 was sustained before payment of bond interest.

The company is in default on interest and sinking fund on its first mortgage and its refunding bonds, the first mortgage being held by Metropolitan Life Insurance Co. of New York. Much of the future of the company will depend upon the action taken by the Metropolitan Life which to date has been willing to forego any action pending a possible improvement in business conditions. We presume that you hold debenture stocks of the company of which there is some $3,371,400 outstanding which ranks after the first mortgage and the refunding bonds which totals some $2,295,000. The prospects for the debenture stockholders are not bright and there is practically no market for this security. Interest and principal on the debenture stock, series "A," is guaranteed by United Hotels Co. of America, but interest does not become due until March 1, 1933. United Hotels has been unable to advance money to the King Edward because of financial difficulties of its own.

Lord Nelson Hotel

I am considering a purchase of a block of Lord Nelson Hotel bonds and would like to have your opinion on same.

If I understand the situation correctly this Hotel is controlled and operated by the Canadian Pacific Railway Co. which unreservedly guarantees the interest at 4 per cent to maturity. The principal is, I understand, taken care of by the sinking fund which becomes operative in 1933 and is sufficient to retire a large amount of bonds by maturity. Is the operation of the sinking fund also guaranteed by the C. P. R. and if so would you not consider this as a guarantee of the principal of the bonds by the C. P. R. which at present prices should make them a safe, attractive investment? I am told that the C. P. R. is paying the taxes and all other up-keep in connection with this property and that they advertise and treat it as one of their chain.

The Canadian Pacific Railway has a very substantial interest in the Lord Nelson Hotel Co. and when the company was unable to earn its bond interest the Canadian Pacific Railway stepped in to protect its equity and made an arrangement with bondholders, whereby they agreed to a reduction in the interest rates to 4 per cent providing that this interest was guaranteed by the railway. Bondholders waived sinking fund payments due November 1, 1931 and 1932 and the next payment at the rate of 2 per cent of the bonds outstanding will be made on November 1, 1933. It is our understanding that the Canadian Pacific Railway has not guaranteed payment of the principal of the bonds.

At the present time a nominal market of 60 to 70 is quoted on these bonds but there is no active market for the issue and were you to buy there might be difficulty in reselling at a later date unless considerable price concessions were made. Operation or the Lord Nelson Hotel has not been profitable to date.

Petroleum Production Down 2 p.c. in August

Crude petroleum production in Canada during August was 85,229 bbls., a decline of two per cent from the July output of 86,969 bbls. and 17.5 per cent from the August, 1931, production of 103,314 bbls., according to a report issued by the Dominion Bureau of Statistics. Production during the first eight months of 1932 amounted to 737,767 bbls. compared with a total of 1,177,060 bbls. in the corresponding 1931 period.

Consumption of gasoline in Canada during June amounted to 51,174,322 gals., compared with 47,320,726 gals. in May and 55,544,000 gals. in June of 1931.

Canadian-Latin American Chamber

A Canadian Latin-American Chamber of Commerce has now been formed under a Dominion charter. Jorge A. Gonzalez ex-consul general of Columbia is acting as executive secretary and the advisory council consists of practically all the consuls general or consuls of the Latin-American republics in Canada and a number of prominent business men of the city. Representatives of other provinces in the Dominion will be added to the board in the near future.

Canadian firms requiring London (England) address and representation. For the small sum of Twenty-five dollars per annum you can have name of firm displayed, address, catalogues filed, small samples exhibited, and complete London Office service in one of the largest up-to-date offices in Kingsway (Strand). All communications treated confidentially. Write or cable Mr. Hepburn, 52 Swinton St., London, W.C. 1, England.

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Comprehensive Surveys made this year show that on the average each copy of Maclean's is read by 2.1 women and 1.6 men
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Insurance for Buyer and Seller

First Canadian Policy Signed by Hugh Baker Eighty-Five Years Ago

Life Insurance History in Canada Dates from 1847

HAS FINE RECORD

Canada Life Celebrates 85th Birthday — Was First Canadian Life Company

By HENRY JAMES

On the morning of November 9, 1847, a small group of business men in Hamilton, Upper Canada, were gathered in a small office to witness the signature of one, Hugh C. Baker, to a £500 life insurance policy in the Canada Life Assurance Co., which, after a year or more of careful planning on their part, was then starting business.

This little ceremony marked the beginning of life insurance in Canada. Today every man, woman and child in the Dominion has on the average about $638 of this form of investment. It is probably true that business development in Canada has no greater story than that of the growth of life insurance from the original policy of £500 to its present size of over six and a half billions.

12 Major Depressions

During the 85 years that have passed since then the life insurance business in Canada has progressed through more than 12 of what are commonly called "major depressions" without a single policy-holder or beneficiary losing a dollar through the failure of any life company licensed by the Dominion Government. This is an achievement hard to equal in any country or any line of business. The basic soundness of this business and careful management may explain this, but nevertheless, the record is remarkable, whether the rapid growth of the business in recent years is considered or the early obstacles.

Difficulties in the way of starting the first Canadian company were enormous. Indeed, had the British companies back in the 1840's not considered the climate too unhealthy, a native Canadian company might not have been started for many years. In 1846, Hugh C. Baker, who was then 29 years old, had to travel by horseback, stage coach and river-boat to New York to get his life insured. He returned to Hamilton determined that his fellow citizens would not be put to such trouble and expense to protect their families. More than 70 years later studies were made and it was discovered that the mortality experience of the company which he founded was more favorable than that of any of the published tables of mortality experiences.

In United States in the '40's, seven life companies on a modern basis were organized. Canada's oldest company is thus the eighth oldest in America.

Conditions Prohibitive

Conditions in Canada were then very primitive. Stage coaches were used in the settled districts, but the farmer had to carry his grain to the mill in sacks thrown over his horse's back. Postage stamps had not been introduced, there was no telegraphic communication, only the beginning of a railway and no ocean steamers had arrived in Quebec.

The barometer of industry was already pointing toward bad weather in 1847. Three periods of fickle price movements caused by the new gold fields of the '50's followed. Then in 1857 the world was shaking with an economic earthquake. Canada suffered accordingly. Eighteen banks failed in one day in New York City. Mobs paraded the streets there crying "Bread or death" and percussions from this sounded even as far away as colonial Upper Canada. Directors of the pioneer insurance company sat longer over their council table and proceeded even more carefully with their business. But their annual report showed another year of steady progress. The report appeared for the first time in dollars and cents, the assurance in force being over $3,000,000.

Makes Steady Progress

War and peace, political and industrial development, railway building, tariff and free trade ideas, changed the business picture in each successive cycle. But through all this ebb and flow of good and bad times, the life insurance business made steady progress. Shortly after Confederation the total insurance in force in Canada was $30,000,000. In 1885 the amount was about $150,000,000. This had increased to $432,000,000 in 1900.

From 1900 until the present time there have been many ups and downs in the general level of business activities in Canada. Life insurance, however, grew steadily from a per head volume of $80 in 1900 to $219 at the end of 1918. This period of steady development climaxed with the influenza epidemic, bringing a sudden and dramatic increase in death claims. Quickly following on the epidemic was a ten-year period of unparalleled prosperity and advance for the business.

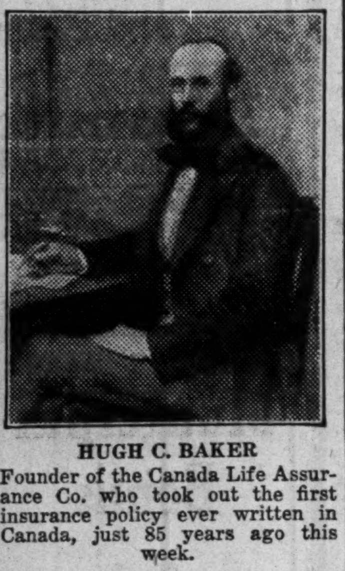
In the first five years from 1918 on the Canada Life's total business in force was more than doubled. The company's total insurance in force was 400 millions in '23; by '29 it had more than doubled again.

A very large increase was common to the whole life insurance business during this period with somewhat smaller gains in the next two years owing to world-wide conditions.

Alone for 25 Years

For nearly 25 years the Canada Life was the only native company. Strong British and foreign companies had begun business in the '60's. New Canadian companies were then founded. All these companies began to play a most important part in winning public confidence and preparing the institution of life insurance for the greater place in public service which it was soon to become.

Canada Life Founder



HUGH C. BAKER
Founder of the Canada Life Assurance Co. who took out the first insurance policy ever written in Canada, just 85 years ago this week.

Senator George A. Cox's rise from a local agent of the company in Peterborough in 1861, to presidency in 1899, makes one of the most interesting chapters in the Canada Life's history. He was actively associated with the company for 53 years. Among the other men of outstanding character whose work left an indelible mark on the Canada Life was A. G. Ramsay, the grandfather of A. Gordon Ramsay, the present assistant general manager.

On the death of Hugh C. Baker, the directors had to find a suitable manager and turned to the "Old Land." In June of '59 it was agreed that "such of the directors as may find it convenient to visit England during the early part of the present summer" for the purpose of finding a new manager, should do so.

Went to Scotland

Five of them went, and being mostly Scotch they went to Scotland. There they met A. G. Ramsay, a young man of 30, and very much to their liking. The deal was completed. In the fall, the new manager arrived in Hamilton with his wife and small family, after a long 'passage' by sailing vessel to Montreal, then by coach and sailing vessel. For 40 years he was to guide the company's affairs ably and with an unswerving sense of honor.

The long years of service of other distinguished members of the board of directors is also remarkable. Sir George W. Burton, one time Chief Justice of Ontario, serv on the board from 1853 to 1901. Adam Brown, of Hamilton, served this company for over 70 years. F. W. Gates was on the board from 1857 to 1906 and vice-president for nearly 30 years. The Rev. Dean Innes was a director from 1864 to 1903. Nehemiah Merritt, one of the founders of the company, was on the board from 1847 to 1903.

Of the present board, E. R. Wood has been a director since 1903, and vice-president since 1919. The president, Leighton McCarthy, K.C., has an intimate knowledge of company affairs dating back many years, and has been a director since 1910. The chairman of the board, H. C. Cox, worked as a branch manager, then served as president and general manager from 1914 until 1928 when he resigned to become chairman of the board. On the present directorate, Sir Thomas White has been a member since 1919, and the other members for shorter priods.

In 85 years the Canada Life has had only eight presidents.

Ottawa Denies Refund to Unlicensed Insurers

Notice that the federal government does not admit its liability for refund of taxes paid in recent years by Canadian companies doing business with foreign unlicensed insurers, has been received by many firms in Canada in recent weeks.

These claims were made to the government by individual firms who paid taxes for many years under the special war revenue tax—the provisions of which in regard to foreign companies not licensed at Ottawa, has since been declared ultra vires. Since 1927, when these insurers embodying chiefly the New England Factory mutual group, were admitted to Canada under provincial license, the tax has been paid under protest.

Since in the case of most Canadian firms, members of these mutual groups, the individual tax is comparatively small, it is expected that no further action will be taken to sue for the amount involved, in spite of the government having denied its liability for refunding the taxes so paid.

New President

R. T. EVANS
Who has been elected president of Canadian Insurance Shares, Ltd. Mr. Evans is president and general manager of the British America Elevator Co., Winnipeg.

AGENTS PROTEST AGAINST LICENSING MUTUALS, LLOYDS

Canadian Federation Prepares Resolution for Provincial Officials

Vigorous protest against what was termed "preferential" treatment to certain mutual and reciprocal organizations and to non-marine Lloyds by provincial insurance departments, was raised at a meeting of the Canadian Federation of Insurance Agents at Montreal, last week. The agents contended that the manner in which these organizations were licensed constituted unfair competition and accordingly passed a resolution to that effect to be forwarded to provincial premiers and superintendents of insurance.

R. J. Wickham was re-elected chairman of the federation's executive committee with C. H. Hanson, of Montreal, and Cecil Bethune, of Ottawa, vice-chairmen. Other provincial associations were permitted to elect a chairman to become a member of the executive committee.

The resolution was as follows:

"Whereas: The provinces of Quebec and Ontario have granted licenses to certain mutual and reciprocal insurance organizations and the Province of Quebec to non-marine Lloyds under preferential terms and conditions as compared with established stock companies already licensed and,

"Whereas: Such action is liable to be construed by the public as endorsation by the Government of that form of insurance and also constitutes unfair discrimination and,

"Whereas: The established stock companies have strongly supported the financing of provincial and federal Governments by large investments in their bonds and,

"Whereas: The said stock companies have also contributed largely to the upbuilding of the country by such investments, by the establishments of head offices here necessitating the maintaining of large staffs of employees and the expenditure of large sums both from premium income and investment funds.

"Now therefore be it resolved that the Canadian Federation of Insurance Agents assembled in a convention with delegates present from all parts of the Dominion representing thirty thousand agents, do strongly protest this action on the part of these governments, knowing that it seriously jeopardizes the livelihood of a large section of our population, and is not in the interest of the insuring public and that it definitely lowers the security that the insuring public have heretofore enjoyed: and be it further resolved that we call upon the governments concerned to have these licenses revoked, or that the said insurers be compelled to comply with all present requirements imposed upon stock companies."

Trust and Loan Deposits Higher By $1,573,103

Total deposits in the hands of trust and loan companies for the quarter ended Sept. 30, 1932, rose $1,573,103, amounting to $74,829,221 compared with $73,256,118 at June 30, and $78,732,027 at Sept. 30, 1931, according to the quarterly statement issued by the Ontario Department of Insurance. These deposits were covered by holdings of immediately liquid securities amounting to $39,678,744 compared with holdings of $41,125,009 in the previous quarter and $44,034,855 at Sept. 30, 1931.

The result of these changes is that the percentage of total available liquid securities to total deposits declined to $53.03 as at Sept. 30, 1932, compared with a percentage of 56.14 at June 30 last and 55.93 at Sept. 30, 1931.

Declines were shown in holdings of cash and of Dominion and provincial bonds or guaranteed securities. Cash held at $5,118,821, was $1,367,814 below holdings at June 30 of this year and was $836,587 below holdings at Sept. 30, 1931. Holdings of Government and provincial bonds were $19,404,278 at Sept. 30, 1932, compared with $20,179,659 in the previous quarter and $22,809,871 at Sept. 30, 1931. This decline in offset to some extent by increased holdings of city and municipal debentures which were $13,141,149 compared with holdings of $12,720,912 at June 30, 1932, and $13,631,672 at Sept. 30, 1931.

TRUST FUNDS HELD CONTINUE DECLINE

Lower by $132,812 for Quarter Ended Sept. 30

Total funds received by trust companies for guaranteed investment dropped $132,812 to $127,874,712 during the quarter ended Sept. 30, 1932 compared with $128,007,524 at June 30, and $147,576,262 at Sept. 30, 1931, according to the quarterly statement of receipts prepared by the Ottawa registrar of trust and loan companies.

Total trustee investments against these funds amounted to $101,156,805 at September 30, compared with $101,617,007 at June 30, and $105,810,178 at Sept. 30, 1931. This has resulted in a ratio of trustee securities held to total funds received of 79.11 at Sept. 30, compared with 79.38 at June 30 and 71.70 at Sept. 30, 1931.

An analysis of guaranteed investments shows an increase over the previous quarter of $4,919,453 in trust deposits during the period, to $42,326,769, compared with $39,582,653 at Sept. 30, 1931. Specific guaranteed investments declined to $17,177,911 from $19,464,363 during the quarter ended Sept. 30, 1932, compared with $21,343,309 at Sept. 30, 1931.

A decrease was also registered in general guaranteed investments at $68,370,031 at Sept. 30, 1932, compared with $71,135,844 at the end of the previous quarter and $86,650,300 at Sept. 30, 1931.

C. C. SINCLAIR, assistant actuary of the Great West Life Assurance Co. was elected chairman of the Actuaries Club, of Winnipeg at the recent annual meeting. W. T. WATSON, assistant actuary of the Monarch Life Assurance Co., was elected secretary-treasurer of the club.

Thinks Problems Loom With Premium Financing

American Agency Official Speaks Bluntly on Possible Effects of Financing Plans

"To finance or not to finance insurance premiums is the leading question of the hour in agency circles, it has reached proportions where it must receive the most careful consideration," says a leading editorial in a recent issue of the American Agency Bulletin.

By the same token, this matter is rapidly forging to the front in Canada, as evidenced by the fact that it was the chief topic of discussion at the annual meeting of the Ontario Fire and Casualty Agents' Association at Toronto recently.

Goodwin Speaks Out

Believing that it will be of wide interest to insurance men in Canada, The Financial Post reprints herewith the address of Percy H. Goodwin, immediate past president of the National Association of Insurance Agents, which convened at Philadelphia last month. Mr. Goodwin believes that premium financing in the next three or five years will develop into one of the most serious problems in the entire business, and that it cannot help but increase acquisition costs for producer and company alike.

His address follows:

"In no way attempting to be a prophet, it is my conclusion that as premium financing goes on it will develop in the next three to five years as one of the most serious problems confronting all producers and all insurance companies. It cannot help but greatly increase the acquisition cost for every producer and every insurance company.

"About four years ago, when one insurance company started its premium financing programme, this organization went strictly on record against it. That company in co-operating with us, seriously and severely curtailed its financing operations. Since that day, however, primarily on account of what we call the depression, numerous finance companies through the United States became unable to acquire the outlet for their money through radios, automobiles, washing machines and the like, and accordingly saw an opportunity to increase their business through financing of insurance premiums. There has now grown up a problem of the insurance business that will continue to grow through premium financing.

Are Entering the Business

"A number of premium finance companies have been formed for the purpose of going into the insurance business at a later date, and through their premium finance operations, they are securing lists of desirable expirations. I have been told from questioning officials of some of these premium finance companies, that their ultimate purpose is to go into the insurance business. Already there has developed throughout the country keen competition among certain premium finance companies. Many an agent who is financing his premiums is doing so, not because he is primarily interested in this method, but because he has been sold on the idea through continuous solicitations by the managers of premium finance companies.

"I do not think the average agent appreciates the extent to which premium financing is being carried. In one city we investigated were located sixty-six premium finance companies competing for a limited amount of business. In certain sections, on account of the activity of the individual finance companies, many general agents have been forced into making deals with them, forming such companies of their own or availing themselves of their own companies' money for financing premiums. The result is that in several sections of the country there is no longer any charge for premium financing. Premiums now can be financed on practically any terms that the agent asks for. Only in the last ten days in New York City a representative of a fairly large premium financing company, to my knowledge, approached two company executives, and after being turned down cold by them, told me he had an appointment with a third.

Controlled $500,000

"His story was that he had control, through a given number of agents in a large territory, of approximately $500,000 for premium financing; he had influence with every one of these agents in one way or another. He said, 'I can deliver to you practically every one of those agents as an agent for your company, not only on the business I am financing for you, but I can make arrangements whereby these agents will give you a certain percentage of the rest of their business. If I do this I sincerely believe I can prove to you that within a two year period I can produce for you approximately $2,000,000 in premiums. If I do so I expect 10 per cent commission on that business.'

"In my opinion, most of our company executives will turn down such a proposition, but I think there are some companies that will take it on. If the agents will remember the beginning of automobile financing and consider the developments that have occurred in this field for the past fifteen years, I believe there is not one of them who will not admit that the commissions he obtained through such a company have been injurious and cost him a large commission account.

Follow Same Course

"In my opinion, premium financing will follow the same course. In one community with which I am familiar in a large city, two companies were approached. Competition grew so keen that finally neither one charged anything for premium financing. Then a limited group of agents made a deal with one of these companies. How they paid, I do not know. A letter went out to citizens of the community to the effect that, 'We will finance your premium, why pay cash? On one year policies we will finance on a payment of 20 per cent down and nine equal payments.' The other agents in that community were whipped, no interest, not a penny, no charge whatsoever No agent can collect his premiums on such a basis and not increase his acquisition cost no matter how he pays his company balances.

"I want to say that my remarks do not include all premium finance companies. Not all of them operate along such lines. At least two or three of the large premium finance companies are honest and ethical and went into the business because they believed there was a demand for it. One of the best of these premium finance companies is beginning to realize that it has a bear by the tail and wishes to let it go.

Problems to Face

"Some of these legitimate premium finance concerns have found there are many problems they must face. They find that some agents treat them just as such agents treat their insurance companies and forget to remit the money due. Some agents are putting their companies on the spot by endorsements or letters or statements they are giving premium finance companies. All company members of the National Board are giving this matter serious attention. I think letters will go out telling the agents just what they can and cannot do; that they cannot put some of these endorsements on policies, and that the company is not a party to any arrangement made between the finance company and the agent.

"I want to warn the agents of this country to be on their guard in connection with the contracts they make with premium financing companies, or they may find themselves seriously involved. Fortunately, in some of the territorial districts the companies are waking up to the problems. Not over twenty minutes ago I received a telegram from the Underwriters Board of the Pacific, telling me this organization is taking action in regard to premium financing that will be beneficial to the agents on the Coast.

"I bring up this subject prior to the discussion on automatic cancellation, because if agents of this country are going to support premium financing, we had better forget automatic cancellation right now. The growth of premium financing will kill absolutely any opportunity to establish automatic cancellation with any degree of success."

Manitoba Issues 2,168 Licenses

A total of 2,168 licenses were issued to insurance agents by the Manitoba Government in 1932 up to Aug. 31. Of this number 1,028 were issued for Winnipeg agents.

In addition 108 licenses were issued to agents writing fire insurance for mutual companies only, 28 of these being issued to Winnipeg agents.

Manager Made Director

W. H. SOMERVILLE
General manager of the Mutual Life Assurance Co. of Canada who has been elected a director of the company. E. G. Long, K.C., a director for many years, has been elected to the executive committee of the company.

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ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Good Response From 10 pc. Call By Empire Life

Very satisfactory results have followed the recent 10 per cent call made on Empire Life Insurance Co. shareholders, according to an official of that company.

To date between $185,000 and $200,000 has been received it is reported, and a further notice has been sent to shareholders informing them that their stock will become forfeit on and after November 10, unless the call is met. However an additional 30 days of grace is being allowed so that any shareholder who pays the call between November 10 and December 10 may redeem his shares within that period.

Capital stock of Empire Life at the end of 1931 was $5,000,000 authorized of which $3,627,600 was subscribed and outstanding at the end of the year. Of this latter figure, $492,000 was paid in cash. On this basis the maximum amount collectible from the call would have been $362,760.

Collision Premium Cut Affects Only Rural Areas

J. H. King, secretary-treasurer of the Canadian Automobile Underwriters Association has drawn the attention of The Financial Post to the fact that in the new set-up of automobile premium rates announced for Ontario in last week's issue of this paper, it was stated that collision rates would be reduced by 20 per cent for all territorial groups in the province outside Northern Ontario.

This change in collision rates, says Mr. King, affects only the rural and small town districts of Ontario, that is the territory known as "D" in the association manual. It does not affect territories "A" and "B" which cover Toronto, Windsor and Hamilton and 18 large cities in the provinces. In these territories, therefore and in Northern Ontario there will be no change in collision premium rates.

Mutual of Canada Cuts Dividend Rate

A reduction of dividend rates to participating policyholders has been announced by the Mutual Life of Canada, effective January 1, 1933, The Financial Post learns.

This reduction will become effective on new or renewal policies after that date and will amount to 15 per cent on first year policies and 10 per cent on second year policies.

This is the first downward revision to be made by Mutual Life of Canada, since no change was made in this company's dividend scale to policyholders last year when the majority of companies announced lower dividend scales.

Insurance Inklings

G. W. GEDDES was appointed honorary president of the Norlac Club of the Northern Life Assurance Company at the annual meeting of the club recently. E. ELEMENT was elected president of the club.

E. E. REID, managing director of the London Life Assurance Co. was recently elected president of the London and district branch of the Chartered Institute of Secretaries.

AMOS VIPOND, for the past three years special representative in Hamilton for the Crown Life Insurance Company, has been appointed manager of the Toronto division of the company. He assumed his new duties Nov. 1.

THE ONTARIO EQUITABLE Life and Accident Insurance Co. reports that while its new business this year is not as large as it was in 1931, there is a well defined tendency toward increase. October showed a gain over September which in turn was higher than August, and indications are that November will record an increase over last month.

J. NORMAN McLEOD has opened a general insurance office at Winnipeg in the McArthur Building and will deal in fire, casualty, life and miscellaneous lines of insurance.

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY
Head Office — Waterloo, Ont.
Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

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Consistent Growth
Steady progress in all Departments during the last six years is ample testimony of a healthy condition and a sound aggressive administration.
Insurance in Force
Dec. 1925 $81,677,030 Dec. 1931 $150,319,791
Assets
Dec. 1925 $12,375,516 Dec. 1931 $25,470,427
Rate earned on invested assets 6.24%
THE DOMINION LIFE ASSURANCE COMPANY
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7. Balance sheets and earnings statements for 1931, 1930 and 1929.
8. Price range of stocks for 1931, 1930 and 1929.
Facts covered include: Earnings statements and balance sheets for 1931 compared with those of 1930 and 1929; details of each bond issue; whether interest is payable in Canadian, New York or sterling funds; times bond interest earned, etc.
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BUFFALO BRANDS MILLED IN CANADA TO ENTER U. K.

Thus Avoiding Duty on Non-Empire Flour — Aiding Farmer

Buffalo flour mills, shut out from the British market by the 10 per cent ad valorem tariff on non-Empire flour, are now having some of their brands manufactured in Canadian mills for the United Kingdom market, according to C. F. G. Raikes, European representative of the Northwestern Miller. In the current issue of the Northwestern Miller Mr. Raikes states that the Buffalo mills were practically the only non-Empire mills which had secured British business in any case even before the tax, and that therefore the 10 per cent tax had little bearing on imported flour.

Mr. Raikes states also that although the British milling and wheat trades are protected by the tax of two shillings per quarter of eight bushels against foreign wheat and have protested against Empire flour being allowed to remain on the free list, the general public does not raise any objections. He says that those connected with the flour and wheat trades are of the opinion that such a small tax as two shillings per quarter will make little difference in the imports of foreign wheat, such as Argentine and Russian, as the British market is essential to those countries when they have a surplus to sell. The foreigner in that case will have to absorb the tax. He points out that Danubian Valley barley, which is shipped to the British market in large quantities, is always just about the value of the duty below the value of Empire-grown barley.

Taxing For Wheat Farmer

The other tax on flour is 2s. 3d. per sack on all flour whether home milled or imported. All products containing over 7½ per cent of flour are subject to this tax. The money raised by this levy is used for paying the farmers the enhanced value of their wheat up to 45 shillings per quarter, 92.8 cents a bushel in United States money or $1.07 a bushel in Canadian money at present exchange rates. The farmer sells his wheat in the open market at the world price and is given a certificate covering the amount of wheat and the price paid. These certificates are sent to the Wheat Commission and at the end of each three months an average price for those three months is fixed. If the average of all sales of English grown wheat were at 25 shillings per quarter this would entitle the farmer to receive an extra 20 shillings a quarter, or 47½ cents a bushel, for the wheat he has sold on certificates. A small amount of 1½ pence per quarter is deducted from the farmer's sales to pay the working expenses of the Wheat Commission. If the wheat market continued to fall the bonus would have to be raised, while if wheat advances less money would be required to pay the farmer's enhanced value and the flour levy would be reduced.

It is claimed the flour levy makes very little difference in the price of bread. Bread in England is sold at so much per quartern of 4 lbs. It is stated that it takes four shillings per sack of 280 lbs. to alter the price one-half penny per quartern. The present flour levy, it is estimated, raises the price of bread one farthing per 2 lb. loaf.

Wheat farmers in England are naturally favorable to the flour levy, while in Scotland and other parts of the British Isles, where little wheat is grown, there is considerable objection. Wheat amounts to only 4 per cent of the total value of the United Kingdom's farm products. Dairy farmers and raisers of livestock claim their interests have received a decided blow by imposing a 10 per cent ad valorem duty on all foreign feeding grains with the exception of maize and feeding stuffs, as a very large quantity of feeding stuff is imported from foreign countries, principally Argentina. The British millers immediately put up the price of their mill feed to take advantage of the increase of 10 per cent on foreign offals. As the British farmer pays more for his offals than the dairymen and cattle men of the Argentine and Denmark, this increase gives the foreign farmer exporting meat and dairy products an advantage over the British. Some meat duties will probably, under the Ottawa agreement, be put on certain types of meat imports to regulate this situation.

Cargo Shipments Made

Canadian millers in the past have found freight rates one of the chief barriers to increasing export flour business. Recently an increasing number of cargo lots have passed through the St. Lawrence River on the way to England. The Northwestern Miller states that all the larger milling companies are shipping in this way, thus "escaping the intolerable handicap of North Atlantic liner freight rates" and getting their flour delivered at ocean charges that are "fathoms below those of the large steamships." In this way the Canadian flour exporting trade hopes to get a service of ocean carriage for flour that will be comparable in cost with that for wheat. This would be of great benefit in European sales.

The fact that the Canadian dollar holds at a considerable premium over British sterling makes against increase of raw flour exports to a considerable extent. Countries completely off the gold standard are able to get the business because of the advantage given by depreciated exchange. Commercially for a while at least it would be commercially beneficial to flour millers if Canada's dollar joined the sterling group but financially it would mean much larger payments in interest and principal in the United States.

Millers in Eastern Canada have also found their domestic business cut into considerably by the decision of the railway companies to meet the competition of all water rates on flour by cutting the lake and rail rates from the West. Though not putting the railway on a competitive basis, flour mills in the East claim that this discriminates against mills in Ontario that have no access to water transport on Great Lakes for flour shipment. The board of railway commissioners are stated to have admitted the justice of this complaint but did not act and now an appeal has been made to the government by millers affected.

Political Pressure Would Show Again

No Assurance That Good Times Would Not Bring Demands for Further Rail Extravagances — Records of Hotel and Steamship Duplications

By F. S. C.

Political pressure was a dominant factor in the over-expansion of railway and allied equipment in Canada in the years 1923 to 1929. This much was known to observing citizens during that period; this much is confirmed also by the report of Justice Duff's Royal Commission on Railways. Does not the report say:

> "When considering the scale upon which branch line acquisitions, as well as hotel expenditures were made, and railway and steamship services duplicated, it is impossible to avoid the conclusion that the board of directors and the management of National Railways were amenable to political influence and pressure which it would have been in the public interest to have withstood."

Public Forgets Past Mistakes

Sir Henry Thornton could, if he wished, truthfully say that he never had a chance to run the railway on a business basis but was constantly required to spend money, either on capital or operating account, to satisfy politicians in particular areas. But Sir Henry, if he had cause for complaint on this score, never voiced it at the time and, in fact, was the most active railway politician we had in Canada.

Sir Henry had the public with him. But one may recall what the Drayton-Acworth Commission of 1917 said about the building of three transcontinental railways, root cause of the railway problem in Canada. The commissioners said:

> "An uninformed and unreasonably optimistic public opinion undoubtedly supported this action at the time. We cannot, however, but feel that those responsible for the policy of the Grand Trunk and Canadian Northern Companies should have been wiser than the public."

One might reasonably say now that Sir Henry Thornton, his directors and his associates, should have been wiser than the public, whom they misled by the propaganda of politically minded optimism.

But the public, under bad leadership from governments and Canadian National Railways officials, soon forgot the lessons of the immediate pre-war years, shelved the Drayton-Acworth report with its pointed references to object lessons, and blindly supported its new railway gods in fatal extravagances.

Beatty Fears It Would Happen Again

This experience gives strength to the fear of Chairman Beatty of the C. P. R., expressed in his evidence before the Duff Commission, that another period of prosperity in Canada would again cause the public to forget its past lessons and to support a third extravaganza of ruinous investment. Because Mr. Beatty does not believe that the twice-bitten taxpayer would be thrice shy, he considers joint administration of both lines, or two competitive railways privately owned the only ways out. This comment of Mr. Beatty in his evidence is interesting:

> "I am as convinced as I am sitting here that if three years from now there was an upturn in business which was substantial we would meet the same kind of competition and competitive extravagances that we have faced in the last eight years and while we think we have learned the lesson and would not be extravagant, I do not believe that we would realize that hope.
>
> "If it becomes advisable for political reasons to spend money on railroads it will be spent. It is always policy except in times of great depression."

In the second article in this series, the "competitive extravagances" in branch line building were outlined. The Duff report makes an equally pointed analysis of hotel and steamship investments.

Do Not Think Hotel Investments Sound

The commissioners apparently found difficulty in justifying the hotel investments as business propositions.

The Canadian National operates thirteen hotels and summer resorts and has two more unfinished. In these it has an investment of $31,000,000, over two-thirds of which has been invested during the Thornton régime. In every year, these hotels have operated at a loss, even before allowing one cent for depreciation or for interest on investment. The operating loss has tended to increase as the investment has increased. The Canadian National is roundly criticized in the report for its investment of $2,400,000 in a terminal hotel at Halifax, an amount equal to twice the original estimate, when the Canadian Pacific already had $350,000 invested as its share in the Lord Nelson Hotel and when one hotel was ample for the requirements of the public.

There is also a critical reference to the Canadian National investment of $6,000,000 in the still unfinished hotel at Vancouver, directly opposite from the $6,300,000 Hotel Vancouver of the C. P. R.

C. P. R. Makes Operating Profit Only

Canadian Pacific is shown as having an investment of $71,100,000 in thirteen hotels and summer resorts and in camps, rests, etc. The increase in nine years was $46,900,000. These hotels were run at an operating profit in each year covered (1923 to 1931) but the commission points out if here again interest on investment and an adequate allowance for depreciation are included this profit would be converted into a substantial loss.

The commission seems to have full justification, on the facts, for its view that "whether on the grounds of policy or for reasons which may have seemed convincing at the time, the fact remains that very large sums have been invested in hotels which were not justified from any point of view, investments which could have been avoided if there had been a spirit of co-operation on the part of the management of both systems." It is in the opinion of the commission, "a deplorable example of a wasteful expenditure of public and private money and one that places a permanent serious financial burden upon both systems."

Millions Wasted on Pacific Boats

The Duff document relates at considerable length the story of the National's costly and needless duplication of the C. P. R.'s Vancouver-Victoria-Seattle boat service on the Pacific Coast. The Canadian National took over the Alaska run of the Grand Trunk Pacific and added new and luxurious vessels to the run. But not content with developing a route that was exclusively its own it duplicated the Tri-City service of the C. P. R., which, with a fine fleet of steamers, was giving a satisfactory service.

The investment in new boats for the run was made in 1929 and 1930 just at the time depression was settling down on the world. In a desire for increased speed and luxurious equipment beyond that of the C. P. R., the National spent nearly twice as much on each of its boats as the C. P. R. had spent. It spent $4,300,000 for the two boats put on to duplicate the C. P. R. run. Some $7,000,000 was spent on boats and dock improvements. With what result? Let the words of the Duff report tell the story:

> "The 'Tri-City Service' of the Canadian National was inaugurated in August, 1930, and was discontinued in September, 1931. The operations on the Pacific coast, as a whole, increased the annual loss to the Canadian National System from $98,248 in 1928 to $673,218 in 1930. These figures include interest, but allow nothing for depreciation. The net income of the Canadian Pacific from services on the Pacific coast fell from $1,521,000 in 1929 to $731,600 in 1930.
>
> "It is impossible to believe that any public interest was served by this duplication of coastal services. Any success that might have come to the Canadian National could only have been largely at the expense of the Canadian Pacific.
>
> "The Canadian National was at some disadvantage in not having a service of steamships under its own control, but this situation could have been met had the managements of the two systems been willing to enter into a working arrangement. This is another instance where a willingness to co-operate would have avoided a sacrifice of funds and obviated the heavy losses which fell upon both systems."

This is the third of a series of articles discussing the report of the Royal Commission on Railways and Transportation.

TARIFF INCREASE ON CELLOPHANE DATES BACK TO '31

Now Give Extra Protection as Provided for in 1931

From Our Own Correspondent

MONTREAL. — Additional protection granted to the Cellophane industry in Canada is of particular interest to Canadian Industries Ltd. which is operating the only Cellophane plant in Canada at Shawinigan Falls.

Under the new rate, British preferential tariff is 20 per cent; intermediate tariff, 30 per cent and general tariff, 35 per cent. These rates compare with a former tariff of 10 per cent on imported products. The item in the customs tariff covers regenerated cellulose, and cellulose acetate, transparent, in sheets, not printed, and manufactures of regenerated cellulose or of cellulose acetate.

Proviso Was Added

In June, 1931, a proviso was added to the then existing tariff schedule that provided Cellophane was manufactured in Canada in quantity and quality sufficient for Canadian requirements, a change might be made in the duties on the imported product. The government now feels that the conditions provided for have been fully complied with and has seen fit to bring the new rates into force.

In May, 1932, Canadian Industries' Cellophane plant at Shawinigan Falls started production. A second unit was installed a month later and plant operations have been carried on on a 24-hour basis. The plant, which has cost about $1,000,000 to complete, manufactures a product which has hitherto been imported from the United States.

Wholesalers in Edmonton Sold $22,292,000 in 1930

Business handled by 79 Edmonton wholesalers in 1930 amounted to $22,292,000. Of this total, $11,797,400 was done by 20 dealers in food and tobaccos.

Six wholesale grocers did business of $7,523,500 and six fruit and vegetable dealers had sales of $2,695,000 in the year. Bulk tank stations, manufacturer's agents and brokers, etc., 104 establishments in all, did business amounting to $31,573,700 in 1930. Direct sales from Edmonton plants are not included in these figures.

SEASONAL TREND HAS REFLECTION IN COTTON TRADE

Industrial Sales Lower — Clothing Orders Well Maintained

From Our Own Correspondent

MONTREAL.—Following a seasonal trend, cotton trade activity in Canada has slackened off considerably in recent weeks. Cotton mill operations have been conducted at about 66 per cent of capacity since the middle of the summer with some mills operating at capacity. In commercial and style cotton divisions operations have been at around 30 to 50 per cent of capacity.

The latter division are maintaining this rate but fine and fancy cotton divisions are awaiting placing of orders for next spring on a wide range of samples now before the trade.

Industrial Demand Lower

Decline in Canadian market needs for cotton goods has been clearly apparent. It has been particularly observed in commercial uses of cotton goods such as automobile and tire fabrics, pyroxalin-treated and floor covering fabrics and similar lines which have been reduced in line with curtailed operations in these industries. Dominion Textile Co., as a large manufacturer of this type of order, has felt the effects of restricted sales.

On the other hand, consumer demand for staple lines of cottons for clothing has been exceptionally well maintained with demands from the West reaching satisfactory proportions. Demand for finer and style cotton materials has been reduced which accounts in large measure for the falling off in imports.

Imports of cotton into Canada in the 12 months ended September last, exclusive of raw cotton and linters, were valued at $13,802,541 of which imports from the United Kingdom were valued at $6,170,730. Total importations of raw cotton in the same period amounted to 96,394,959 pounds against 100,502,065 pounds in the corresponding period of the previous year and 102,470,306 pounds in the 12 months ended September 30, 1930.

U. S. WHEAT GETS MARKET IN CHINA THROUGH CREDITS

Sale of 15,000,000 Bus. May Exclude Wheat from Canada

Prospects for sale of Canadian wheat in China during the current year are materially weakened by the decision of the United States Reconstruction Finance Corporation to sell some 15,000,000 bus. again to China on long term credit as was done in 1931, according to a bulletin issued by the Commercial Secretary of the Canadian Legation at Tokyo.

This amount of wheat would probably fill the Chinese requirements for the remainder of the year as 770,000 tons has already been imported, 70 per cent of this grain coming from Australia. It is thought that this policy of the United States may work to the detriment of Canadian producers who cannot afford to sell on the same basis.

Cancellation of the Japanese contract for 20,000 tons of Russian wheat, and heavy damage to the Manchurian wheat crop through the recent floods, would indicate that there is room for a considerable amount of the lower grades of Canadian wheat in the Japanese market. Japan also has imported most of her 660,000 tons of wheat from Australia, because of the low rates for Australian funds.

Somewhat higher prices for silk have had a favorable effect on Japanese sentiment.

Japanese Export Trade

The decline of the yen to about half its former level during the last eleven months has placed Japan in a good trading position as far as export trade is concerned. This factor has, however, mitigated against importation of foreign goods other than those required in manufactures for re-export. During September Japan showed an excess of exports over imports of 43 million yen and reduced the "unfavorable" balance for the year to 115 million yen. Japan has actually been importing more cotton, wheat and wood pulp than ever before to manufacture for re-export.

Canadian sulphate of ammonia, which met with a ready reception since its introduction into the South China trade early this year has had a slight set back in the form of local taxation of about 80c. Hong Kong currency per sack.

Continuation of the anti-Japanese boycott has diverted some Chinese trade to Canadian products, notably apples and potatoes. Purchasers in Hong Kong and Shanghai have been attempting to pool their demands for Canadian apples and buy their requirements in carload lots to cut the cost of rail haulage, and enable them to sell Canadian apples at competitive prices in their markets.

Fraser Shareholders Approve Bond Issue

From Our Own Correspondent

MONTREAL. — Shareholders of Fraser Companies have sanctioned the creation of $2,000,000 of 6 per cent prior lien bonds which will rank ahead of the present first mortgage bonds, and approval has also been given for an increase in the first mortgage bonds from $10,000,000 to $15,000,000. A by-law giving directors authority to carry out the terms of the reorganization plans of the company was approved by the meeting held at Edmundston.

This meeting, which represented about 75 per cent of the total shares outstanding either by proxy or in person, was held in the offices of the company with Donald Fraser, vice-president, in the chair.

Following announcement of decreased stumpage rates on lumber cut in New Brunswick woods, Fraser Companies has stated that the company's mill at Plaster Rock will run at full capacity during the coming winter, involving a cut of ten million feet of lumber. It is also stated that the Fredericton mill would be re-opened on part time to handle a cut of 6,000,000 feet in that district.

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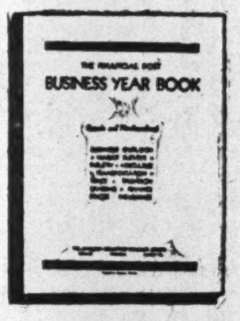

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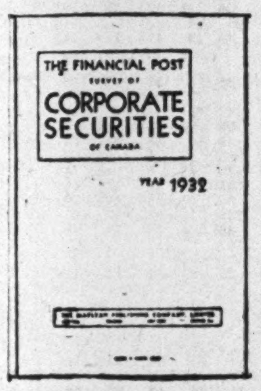

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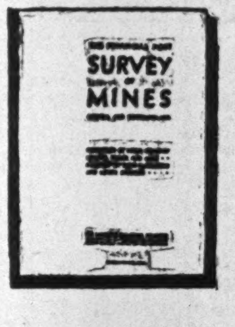

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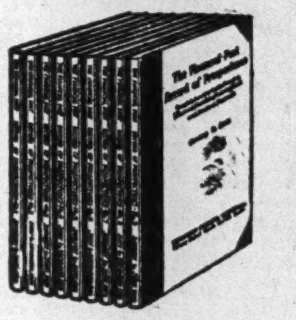

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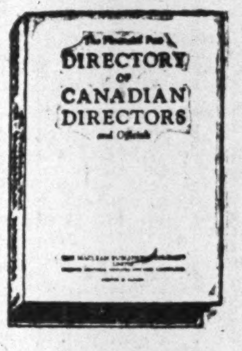

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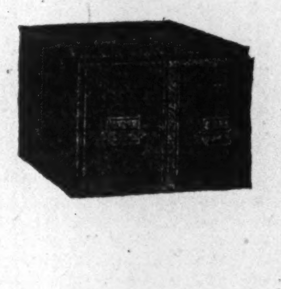

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Women Salary Earners Are Stable Investors

According to a survey of women as buyers of life insurance presented at the Convention of National Association of Life Underwriters, analysis in a city of approximately 600,000 population revealed that there were 3,400 teachers with an average monthly salary of $150; 800 registered nurses with an average monthly salary of $125; 1,100 women in offices with an average monthly salary of $100; and 110 women who were owners or part owners of business with an average monthly income of $200.

Mrs. M. P. Millar who undertook this survey also wanted to know where and how women invested their money. She went to banks, savings departments, building and loan companies, and investment houses, and found that 60 per cent of the depositors in these savings and investments organizations were women. She was further amazed to learn that a very small percentage of the withdrawals this year had been by women depositors. Reasons given for this were first, that the women depositors were still receiving their salaries and second, if they withdrew their money they had no place else they could put it.

She also found that the average women saved 10 per cent of her salary.

New Managers' Assoc. For Kingston Life Offices

A new association embracing the life insurance managers of Kingston, Ont., has been created following a meeting at the Manufacturers Life offices in that city.

The new association will be known as the Life Managers' Association of Kingston. M. G. Johnston, manager of the Manufacturers Life, being the oldest manager in years of service as such, was elected first chairman of the association and F. R. Brooke, manager of the London Life, was elected secretary-treasurer.

Aims of the association will be the betterment of the life insurance business in all its phases. One of the criticisms offered at the meeting yesterday was that too many agents were being appointed who were not qualified to diagnose the needs of the public in connection with the life insurance business with the result that the services to which it is entitled are not being given. The association will co-operate closely with the Life Underwriters' Association and will meet monthly.

Those present at the meeting were M. G. Johnston, Manufacturers' Life; C. H. Rooke, Canada Life; A. R. Fairbairn, Dominion Life; J. Crothers, Excelsior Life; J. B. Hayden, Great West Life; F. R. Brooks, London Life; J. L. Taber, North American Life, and R. Sedgwick, Prudential Life.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING NOVEMBER 7

Range 1932 High	Low	Divd. Rate in $	Yield in % Nov. 5		Sales	Close Oct. 31 (or last)	Week Ending —Nov. 7— High	Low	Close
3.25	.30	.	...	Abitibi	225	.37	.35	.30	.35
10	1	.	...	Do. pref.	255	1¼	2	1¼	1¾
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	60	7	11.7	Do. pref.	5	70	60	60	60
7¾	3½	.	...	Alta. Pa. Gr.	50	5	5	5	5
45	19	.	...	Do. pref.	10	30	30	29½	30
3¼	1½	.	...	Amal. Electric	....	1½	..	..	..
11	7	.	...	Do. pref.	....	7	..	..	..
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.30	.15	.	...	Asbestos	....	.20	..	..	..
1.00	.50	.	...	Do. pref.	....	.50	..	..	..
7	4	60c	9.2	Assoc. Brew.	276	6	6½	6	6½
71	65	7	10	Do. pref.	30	69	70	70	70
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20¾	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159¾	127	10	7.7	Bk. Can. Nat.	27	130	130	129	129
225	150	10	5.5	Bk. Montreal	61	188½	185	180	180
275	238	14	5.4	Bk. N. Scotia	84	263	263	257	260
193	125	10	5.6	Bk. Toronto	25	179½	178½	170	170
10¼	10¼	.	...	Barcelona	....	10¼	..	..	..
3	1	.	...	Bathurst Pr.	....	2	..	..	..
1½	½	.	...	Do. (B)	....	1½	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
20	15	.	...	Do. pref.	....	15	..	..	..
5	3	.	...	Beath & Sons	....	4	..	..	..
10¼	3½	.	...	Beatty Bros. A	....	7	..	..	..
60	41	6	10.5	Do. pref.	....	57	..	..	..
3.50	.40	.	...	Beauharnois	2435	1.62	1.75	1.37	1.50
x93	55	7	...	Belding Cort.	....	..	..	..	..
90	65	7	7.8	Do. pref.	....	90	..	..	..
120	75	7	7.1	Bell Telephone	391	98½	99	98	99
4	2	.	...	Biltmore Hats	....	4	..	..	..
50	50	7	...	Do. pref.	....	50	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	....	3½	..	..	..
25	9	2	...	Do. pref.	....	16	..	..	..
20	17	2	11.3	Brant. Cd. pf.	5	17¾	18	18	18
14¾	7¾	.	...	Brazilian Tr.	7360	8½	9⅞	8	9¼
.75	.40	.	...	Brew. & Distil.	....	.75	..	..	..
1	¼	.	...	Brewing Corp.	....	½	..	..	..
3¼	1	.	...	Do. pref.	....	1¾	..	..	..
11½	7¾	80c	9.4	Brit. Amer. Oil	4328	8⅛	8½	8	8⅛
3.50	.60	.	...	B.C. Packers	150	1.50	1.50	1.50	1.50
8½	4	.	...	Do. pref.	....	7	..	..	..
28	15	2	10.4	B.C. Power A	1320	19½	20	18	19½
7½	3¾	.	...	Do. (B)	21	5	5	5	5
6½	2	.	...	Bruck S. Mills	30	4	4	4	4
20¼	10	1	8	Building Prod.	30	14	12½	11	11
32	17	2.40	8.6	Burt, F. N.	139	28	28	27	27
125	120	6	6	Calgary Pr.	....	120	..	..	..
4	1½	.	...	Canada Bread	....	2⅞	..	..	..
85	80	7	8.2	Do. pref. A.	....	85	..	..	..
25	20	2	8	Do. pref. B.	....	25	..	..	..
9	6¾	1	12.5	Canada Bud	460	7½	8	7½	8
7	2	.	...	Canada Cement	780	4⅝	4⅜	4	4½
66	20	.	...	Do. pref.	116	26	26	25	25½
b15	6	1.20	12.3	Canada Dry	3200	9½	10¼	8¾	10¼
6	2	.	...	Can. Forg. (A)	10	2	2	2	2
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	.	...	Canada Iron	....	..	..	..	..
x80	75	3	...	Do. pref.	....	..	..	..	..
15¼	8½	1.50	11.1	Can. Malting	391	13½	13¾	13	13¾
17	9	80c	6.1	Can. Nor. Pr.	35	13	13½	13½	13½
92	52½	7	11	Do. pref.	34	67	67⅛	62	63½
x6		.	...	Can. Paving	....	..	..	..	..
6½	6½	.	...	Do. pref.	....	6½	..	..	..
186	135	12	7.6	Can. Perman.	5	158½	158	158	158
1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
3¼	¾	.	...	Can. Steamsh's	....	2½	..	..	..
11⅛	1	.	...	Do. pref.	35	5¼	5¼	5	5
17	9¼	1.60	12.3	Can. Vinegars	50	13¼	13½	13	13½
55	28½	.	...	Can. W. Cable	....	32	..	..	..
18	4	.	...	Do. (B)	20	12	11½	11½	11½
1¼	1¼	.	...	Can. Bakeries	....	1¼	..	..	..
14	5	.	...	Do. pref.	....	5	..	..	..
191	123	10	6.7	Can. Bk. Com.	121	155	152	145	148
18	9	1.25	7.3	Can. Bronze	....	17	..	..	..
102	70	7	7.4	Do. pref.	....	95	..	..	..
6¾	1¾	.	...	Can. Canners	50	3⅞	3⅞	3⅞	3⅞
80	40	6	10.3	Do. 1st pfd.	3	58	58	58	58
9	3¾	40c	6.7	Do. 2nd pfd.	55	6	6	5½	6
8½	2¼	.	...	Can. Car & F'y	525	4¾	5	4½	4½
19½	10	1.75	14	Do. pref.	351	14	14	12¼	12¼
10¼	3⅜	.	...	Can. Celanese	20	8½	10¼	10¼	10¼
81	42	7	9.3	Do. pref.	218	71	81	72	81
20	16½	2	11.1	Can. Convert.	20	16½	18	18	18
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	48½	6	12.4	Do. pref.	....	48½	..	..	..
17	7	.	...	Can. Dredge	25	12½	11	11	11
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	9.4	Can. Fairb. pf.	....	64	..	..	..
4	3	.	...	Can. For. Inv.	....	3	..	..	..
65	55	.	...	Do. pref.	....	55	..	..	..
180	110	4	3.6	Can. Gen. Elec.	....	110	..	..	..
59	50	3.50	6.2	Do. pref.	110	56	56	55¼	56
3¾	3¼	.	...	Can. G. Inv. T.	....	3¾	..	..	..
66	29	6	16	Can. Hyd. El. p	111	40	40	36	38
3		.	...	Can. Ind. Alc.	4705	2	3¼	2	3¼
2.00	.30	.	...	Do. (B)	610	1.62	2.00	1.62	2.00
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
21	18	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
1¼	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
2½	½	.	...	Can. Marconi	4009	1⅛	1⅜	1¼	1⅜
13	7	1	10	Canadian Oil	....	10	..	..	..
100	84	8	8.2	Do. pref.	....	98	..	..	..
22⅞	8½	.	...	Can. Pacific	11528	15	16⅝	13¾	16⅝
3	1¾	.	...	Can. Vickers	....	3	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
3⅞	1	.	...	Can. Wineries	75	1½	1½	1	1½
7½	4¾	1	19	Can. Wire Box	40	6	5¼	5¼	5¼
12	7	.	...	Catelli Mac. A	....	7	..	..	..
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	290	10	...	Cent. Can. L'n	....	..	..	..	..
2.05	.50	.	...	Chem. Research	775	.76	.89	.75	.89
1	1	.	...	Claude Neon	100	1	1	1	1
8½	3	.	...	Cockshutt Plow	615	4½	5¼	4¼	5¼
2	½	.	...	Comm. Alcohol	25	1⅛	1½	1⅛	1½
3¾	1	.	...	Conduits	....	1¼	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	2¾	.	...	Cons. Bakeries	45	3	3	3	3
5	1	.	...	Cons. Industries	....	1½	..	..	..
4	4	.	...	Cons. Paper	....	4	..	..	..
15	5	.	...	Cons. Press	....	6	..	..	..
35	30	2	5.7	Cons. Sand pf.	....	35	..	..	..
102	25	.	...	Cons. Smelters	968	68	70	63½	70
175	142	10	5.9	Consumers Gas	59	173	172	170	170
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	2¼	.	...	Cosgrave Brew.	25	2½	3	3	3
5⅛	2	.	...	Cosmos Imp.	....	5	..	..	..
68	40	3.50	7.4	Do. pref.	....	47½	..	..	..
3½	2	.	...	Crown Dom. Oil	380	3	3⅛	3	3
20	8	4.50	...	Crow's N. Coal	....	15	..	..	..
1½	1½	.	...	David & Fre. B.	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	...	Do. pref.	....	..	..	..	..
7⅝	3⅜	.	...	Distill Seagram	2006	6	7	6	6¾
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1¾	.	...	Do. (B)	....	2	..	..	..
194	125	10	6.4	Dom. Bank	4	156	156	156	156
27	9	2	13.2	Dom. Bridge	1207	16	16¼	15	15¾
x40	40	.	...	Dom. Coal	....	..	..	..	..
22½	12	.	...	Dom. Engineer.	40	12½	12½	12½	12½
78	30	5	7.1	Dom. Glass	....	70	..	..	..
112	85	7	6.9	Do. pref.	19	100½	102	102	102
5½	1½	.	...	Dom. Motors	10	2	2	1½	1½
7½	36	.	...	Dom. Pr. Stubs	....	6	..	..	..
3	1	.	...	Dom. St. & C B	576	1⅜	1½	1¼	1½
20⅛	13	1.20†	6.8	Dom. Stores	209	17¼	18	16½	18
5	2	.	...	Dom. Tar & Ch.	1	2½	2½	2½	2½
30	26	.	...	Do. pref.	5	26	26	26	26
63½	39	5	9.8	Dom. Textile	80	50	51	51	51
105	70	7	6.9	Do. pref.	....	102	..	..	..
x12	10	.	...	Donnacona	....	..	..	..	..
3	½	.	...	Dryden Paper	100	1	1¼	1¼	1¼
4	2	.	...	Duff. Paving	....	2	..	..	..
49	26	.	...	Do. pref.	....	26	..	..	..
20	3	.	...	East. Koot. Pr.	....	3	..	..	..
x97	94½	.	...	Do. pref.	....	..	..	..	..
16	5	.	...	East. Dairies	....	5	..	..	..
9½	9½	1	10.5	East. Steel	....	9½	..	..	..
74	74	7	9.4	Do. pref.	....	74	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
1	1	.	...	Easy Washer	....	1	..	..	..
9	4½	75c	9.7	Economic Inv.	....	7¾	..	..	..
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78⅜	6.50	...	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	6	.	...	Eng. Electric	....	8	..	..	..
2½	1½	.	...	Do. (B)	....	2	..	..	..
8	6	.	...	Fam. Players	....	7	..	..	..
10	7¼	.	...	Do. Vot. Tr.	....	10	..	..	..
10	7	.	...	Fanny Farmer	10	7	7	7	7
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	5¾	.	...	Ford Motors A	1830	7¾	8⅝	7⅛	8⅝
3⅞	1⅝	.	...	For. Pr. Secs.	....	2¼	..	..	..
9	4	.	...	Foundation Co.	....	4	..	..	..
1.25	.25	.	...	Fraser Cos.	....	.40	..	..	..
50	50	.	...	Front Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
37	35	.	...	Do. pref.	....	35	..	..	..
2½	⅜	.	...	Gen. St. Wares	477	1½	1½	1	1½
84	38	5	7	Goodyear Tire	31	70	71	70	70
95	70	7	7.5	Do. pref.	72	93	94	93	93
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
1¾	⅜	.	...	Gt. W Saddlery	....	¾	..	..	..
7	5	.	...	Do. pref.	....	5	..	..	..
21	7	1	11.4	Gurd, Chas.	....	8¾	..	..	..
106	100	7	7	Do. pref.	....	100	..	..	..
5	2	.	...	Gypsum, Lime.	540	2½	2½	2½	2½
7	2	.	...	Ham. Bridge	30	4½	3½	3½	3½
60	44½	.	...	Do. pref.	....	45	..	..	..
10	6	.	...	Ham. Cot. pf.	....	6	..	..	..
2½	1½	.	...	Ham. U. Theat.	....	2½	..	..	..
53	48	7	14	Do. pref.	....	50	..	..	..
4	½	.	...	Hayes Wheel	105	1	½	½	½
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..

Range 1932 High	Low	Divd. Rate in $	Yield in % Nov. 5		Sales	Close Oct. 31 (or last)	Week Ending —Nov. 7— High	Low	Close
2½	1	.	...	Hinde & Dauch	....	2½	..	..	..
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅛	½	.	...	Honey Dew	20	1	¾	¾	¾
40	10	.	...	Do. pref.	....	10	..	..	..
4	2	.	...	H. Smith Pap.	....	2½	..	..	..
27	16	.	...	Do. pref.	....	16	..	..	..
21½	15	2	11.8	Humberstone S	6	16⅞	17	15	17
17½	6½	1	12.5	Hunt (A)	....	8	..	..	..
x23¼	12½	1	...	Do. (B)	....	..	..	..	..
108	93	8	7.6	Huron & E. M.	....	105	..	..	..
18	17	.	...	Do. 20% pd.	....	18	..	..	..
11¼	4¾	.	...	Hydro Electric	....	6	..	..	..
193	130	10	6.7	Imperial Bank	23	165	150	145	145
11⅜	7⅜	50c	5.3	Imperial Oil	5526	8¾	9½	8¾	9
9⅞	6	35c°	4.1	Imperial Tob.	2323	8¼	8½	8	8⅜
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
97	88½	7	7.4	Inter. Mill., pf.	....	94	..	..	..
80	77	6	7.5	Do. Series A	....	80	..	..	..
13½	4	.	...	Inter. Nickel	28716	8¼	10	8	9⅞
4	4	.	...	Inter. Paints	....	4	..	..	..
b4⅜	½	.	...	Int. Pa & Pr A	1100	1½	1¾	1	1½
b2	½	.	...	Do. (B)	100	¾	..	..	¾
b1½	¼	.	...	Do. (C)	....	¼	..	¾	..
b12⅜	2	.	...	Do. pref.	1200	3⅜	3⅞	3½	3⅝
13½	9½	1	9.3	Inter. Pete.	2785	11	11	10⅞	11
2½	2½	.	...	Inter. Power	25	..	2½	2½	2½
x78	56¼	.	...	Do. pref.	....	..	..	..	..
11	2	.	...	Int. Util. (A)	45	7	7¼	7	7
4	½	.	...	Do. (B)	140	1½	2⅛	1¼	2⅛
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
86	79	7	8.8	Do. pref.	....	79	..	..	..
4	2½	.	...	Kelvinator	5	2¾	2¾	2¾	2¾
90	55	7	12.7	Do. pref.	....	55	..	..	..
9¾	4	.	...	Lake of Woods	630	7½	8	7½	8
40	36	.	...	Do. pref.	20	40	39½	36	36
x140	140	8	...	Landed Bank	....	..	..	..	..
40	28	3	7.7	Laura Secord	90	38½	39	39	39
8	1½	.	...	Lindsay, C. W.	....	2¾	..	..	..
60	36	6.50	16.7	Do. pref.	50	39	39	39	39
12¼	9	80c§	6.5	Loblaw (A)	598	11⅞	12¼	11¼	12¼
12	8	80c§	6.9	Do. (B)	105	11½	12	11½	12
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
7	6½	.	...	Manitoba Pr.	....	7	..	..	..
5	2	.	...	Maple Leaf	....	3	..	..	..
20½	8	.	...	Do. pref.	....	15	..	..	..
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	30	.	...	Do. pref.	....	30	..	..	..
5¾	2¼	.	...	Massey-Harris	1043	3¼	3⅝	3	3¼
11⅛	7	60c	6.7	McColl Fron.	355	8½	9	8½	8¾
68	58	6	9.1	Do. pref.	....	65	..	..	..
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8¾	3	.	...	Mitchell, Robt.	....	6	..	..	..
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	20	.	...	Do. pref.	5	20	20	20	20
75	45	6	12	Montreal Cot.	....	50	..	..	..
75	65	7	9.3	Do. pref.	....	75	..	..	..
2½	2½	.	...	Mont. Exhib.	....	2½	..	..	..
11	5	.	...	Mont. Is. Pr.	....	5	..	..	..
39¼	20⅛	1.50	4.6	Mont. L. & P.	9550	33⅜	34½	30	34
48	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	40	3.20	7.8	Mont. Tele.	1	42	41	41	41
150	90	10	9.1	Mont. Trams.	26	115	110	110	110
11	4½	.	...	Moore Corp.	66	8¼	8	7½	7½
93	62	7	8.9	Do. (A)	35	78	78	75	78
97	69	7	8	Do. (B)	8	87½	87	87	87
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	¾	10c	10	Muirheads	140	1	¾	¾	¾
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	9½	1.60	10	Nat. Brew.	1289	16	17⅞	14¾	17⅞
28	25	1.75	6.5	Do. pref.	....	27	..	..	..
½	½	.	...	Nat. Brick	....	½	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
13¼	6	80c	10.3	Nat. Steel Car	165	8	8	7½	7½
255	175	12	5.9	National Trust	....	204	..	..	..
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
20	16	.	...	Do. pref.	....	16	..	..	..
2.50	1.50	.	...	North Star Oil	50	1.75	1.75	1.75	1.75
4.00	4.00	35c	...	Do. pref.	....	4.00	..	..	..
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
150	90	8	6.4	Ogilvie Flour	15	130	125	125	125
112	96	7	6.4	Do. pref.	3	110	109	109	109
9	4	.	...	Ont. Eq. 10% p	....	5	..	..	..
103⅜	94½	6	5.8	Ontario Loan	....	103⅜	..	..	..
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	.	...	Do. pref.	....	..	..	..	..
½	½	.	...	Orange Crush	....	..	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
½		.	...	Do. (B)	....	½	..	..	..
100	87	6	6.7	Ott. L. H. & P.	2	90	90	90	90
100	90	6.50	7.2	Do. pref.	15	90	90	90	90
10	8	.	...	Ott. Traction	10	10	8	8	8
68½	35	3	5.5	Page Hersey	95	53½	54½	52	53
b11½	1½	.	...	Paramount	49300	3	3½	2⅝	3½
x35	30	.	...	Paton Mfg.	....	..	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
⅜	¼	.	...	Pelissiers	....	⅜	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
33½	18	3	9.1	Penmans	25	30	33	33	33
80	65	6	8	Do. pref.	....	75	..	..	..
19½	8	.	...	Photo Eng.	....	8	..	..	..
x40	10	.	...	Port Alfred pf	....	..	..	..	..
x70	64	7	...	Porto Rico P p	....	..	..	..	..
b17¼	1¾	.	...	Postal Tele. p	....	..	..	..	..
36½	6	.	...	Power Corp.	655	9½	9½	8⅞	9⅞
90	25	6	10.9	Do. pref.	....	55	..	..	..
2	2	.	...	Prairie C. Oil	....	2	..	..	..
15	5	.	...	Pressed Metals	240	14	15	14	14
5	3½	.	...	Price Bros.	....	3½	..	..	..
x99	70	.	...	Do. pref.	....	..	..	..	..
29	9¼	1.50	11.5	Quebec Power	450	13½	13½	12¾	13
105	105	7	6.7	Real Estate Ln	....	105	..	..	..
2.00	.25	.	...	Regent Knit.	....	.60	..	..	..
10	5¾	.	...	Reliance Grain	....	9	..	..	..
12	6½	1	12.5	River. S. Mills	....	8	..	..	..
12	5	1	20	Robinson Cone	30	5¼	5	5	5
4	1	.	...	Rogers Majes.	5	1¼	1	1	1
171	120	10	6.7	Royal Bank	151	155	154½	148	148
x84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
33	32½	1	3.1	Russell Motor	....	32½	..	..	..
70	35	7	14.6	Do. pref.	....	48	..	..	..
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Station	....	3¼	..	..	..
46	20	.	...	Do. pref.	....	25	..	..	..
33	7½	50c	4.2	Shawinigan	4892	12	13⅛	10½	13
20	7	.	...	Sher. Wms.	15	9	8	8	8
80	68½	7	10	Do. pref.	5	70	70	70	70
17	5	.	...	Simon & Son	10	5⅛	5½	5½	5½
80	60	.	...	Do. pref.	....	60	..	..	..
55½	12	.	...	Simpson, Ltd.	5	21	20	20	20
x44½	36	.	...	Do. (A)	....	..	..	..	..
9	9	.	...	Do. (B)	....	9	..	..	..
82	62	6	7.7	Simpson, R. p	20	78	78	78	78
25	10	1	5.9	So. Can. Pr.	25	17	17	17	17
90	60	6	7.6	Do. pref.	7	80	79½	79	79
1.00	.40	.	...	St. Law. Corp.	....	.40	..	..	..
4	1⅛	.	...	Do. (A)	20	2½	2	2	2
30	9	1.50	5	St. Law. Flour	....	30	..	..	..
99½	70	7	7	Do. pref.	....	99½	..	..	..
11	1⅜	.	...	St. Law. Pa. p	....	5⅝	..	..	..
3	1½	.	...	St. Pav. & Mat.	....	2¼	..	..	..
46	25	2	...	Do. pref.	....	29½	..	..	..
6	4	50c	..	Stand. Chem.	....	6	..	..	..
5⅞	1¼	.	...	Stand. Steel	....	3	..	..	..
x35	30	3	...	Do. pref.	....	..	..	..	..
24	10½	1.75	10.3	Steel of Can.	800	16	18	14½	18
30¼	20	1.75	6.6	Do. pref.	50	26½	26½	26¼	26½
½	¼	.	...	Sterling Coal	....	½	..	..	..
18	9½	1	7.4	Sup. Pete. ord.	8	13	13½	13½	13½
16½	16½	1	...	Do. com.	....	166	..	..	..
98	90	7	7.3	Do. pref.	....	95½	..	..	..
42	35	.	...	Tamblyn	....	40	..	..	..
100½	95	7	7.3	Do. pref.	5	95½	96¼	96¼	96¼
18	14½	3.50	23.3	Thayers, pfd.	....	15	..	..	..
7	3	.	...	Tip Top Tailors	....	3	..	..	..
67	50	7	12.7	Do. pref.	....	55	..	..	..
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48½	.	...	Do. pref.	....	..	..	..	..
15	7	.	...	Tor. Elevators	....	15	..	..	..
210	125	10	5.9	Tor. Gen. Tr.	12	170	170	170	170
108	85	6	5.8	Toronto Mtge.	....	103	..	..	..
¼	¼	.	...	Traymore	....	¼	..	..	..
2¼	2	.	...	Do. pref.	....	2	..	..	..
120	103	7	6.5	Tuckett Tob. p	10	106½	107	107	107
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	23	..	..	..
7	1¾	.	...	Union Gas	185	4⅝	4¾	4¾	4¾
100	100	5	5	Union Trust	....	100	..	..	..
x8	8	.	...	United Fuel	....	..	..	..	..
15	3	.	...	Do. pref.	....	7	..	..	..
24⅝	18	2	10	United Secs.	....	20	..	..	..
11	5	.	...	Viau Biscuit	....	9	..	..	..
75	59	7	11.9	Do. pref.	....	59	..	..	..
12	4	.	...	Wabasso Cot.	....	10	..	..	..
8	2½	.	...	Walker-Good.	20329	6½	7⅞	5⅞	6½
12	9	1	10.2	Do. pref.	15267	9¾	10	9⅜	9½
3¾	1	.	...	Waterloo Mfg.	....	1¾	..	..	..
80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
8	5½	.	...	West C. Flour	....	8	..	..	..
60	54	6.50	11.2	Do. pref.	....	58	..	..	..
12½	10	.	...	West. Grocers	45	11½	11½	11½	11½
59½	43	7	11.7	Do. pref.	....	59½	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	4.6	Weston Bisc.	360	22	21⅞	21¾	21¾
70	65	7	10	Do. pref.	....	70	..	..	..
10	3	.	...	Windsor Hotel	....	3	..	..	..
38	10	.	...	Do. pref.	10	11	11¾	11¼	11¾
8	2	.	...	Winnipeg Elec.	173	3¾	3¾	3	3
20	13	.	...	Do. pref.	....	15	..	..	..
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..
1	1	.	...	Zimmerknit, c.	5	..	1	1	1

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
° Plus final div. of 17½c paid March 31, 1932.

Can. Insurance Shares Has Paid Off Its Loan

In a letter to shareholders of Canadian Insurance Shares, Ltd., announcing that R. T. Evans, of Winnipeg had been elected president of the company to fill the vacancy caused by the death of W. W. Evans, W. P. Fess, general manager, states that sufficient overdue calls on capital have been collected to permit repayment of the loan shown as outstanding in the last annual statement.

Up to the present in 1932, the letter states, companies in which Canadian Insurance Shares, Ltd., has its funds invested have been very close to maintaining the same volume of premium income as was received in 1931.

Loss ratios during this year are said to be quite reasonable in spite of increased reserves, but underwriting problems have been acute. It is also stated that the company's organization has been kept intact and expenses reduced, in spite of the substantially increased taxes on income of insurance companies, some of which have been retroactive to 1931.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
November 8, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.55	1.00
Acadia Sugar pf.	2.80	3.25
Acme Farmers Dairy pfd.	60.00	65.00
Acme Glove pfd. bonus c.	7.00	8.00
Agnew Surpass pfd.	63.50	70.00
Allens Beach pfd. bonus c.	32.00	....
Allens College pfd. bonus c.	32.00	....
Allens London pfd. bonus c.	32.00	....
Allens Toronto pfd. bonus c.	16.00	....
Allens St. Clair pfd. bonus c.	32.00	....
Allens St. Catharines pfd. bon. c.	32.00	....
Andian Nat. Corp.	19.00	22.50
B.C. Pulp & Paper pfd.	4.25	8.00
Burns pfd. bonus com.	5.75	7.75
Can. & Dom. Sugar com.	20.50	22.00
Can. Mach. c.	1.50	4.00
Can. Mach. pfd.	12.00	20.00
Can. Packers c.	11.00	12.00
Can. Packers pfd.	66.75	71.50
Can. Starch pfd.	62.50	68.00
Can. Tea pfd.	....	54.00
Can. Wire & Cable pfd. W.W.	73.00	75.00
Can. Industries c. "A"	78.00	80.00
Can. Industries c. "B"	76.50	77.25
Can. Industries 7% pfd.	106.50	108.50
Can. Westing.	38.50	40.50
Chase, A. W. Units	22.00	25.00
Claude Neon Gen. Adv. Units	20.75	21.75
Claude Neon Gen. Adv. c.	1.25	2.00
Crescent Creamery pfd.	62.50	70.00
Dom. Foundries & Steel c.	6.00	7.50
Dom. Foundries & Steel pfd.	69.00	73.00
Dom. Manufacturing pfd.	67.00	....
Dom. Mnaufacturing c.	7.25	....
Dunlop Tire 7% pfd.	41.50	44.00
Eastern Dairies Ltd. pfd.	63.00	....
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	38.00	42.00
Gen. Steel Wares pfd.	6.50	7.50
Goderich Elevator & Transit	7.75	8.75
Greening Wire 7% pfd.	66.50	68.00
Guardian Realty pfd.	18.00	23.50
Guelph Carpet pfd. bonus c.	68.50	72.00
Guelph Carpet c.	3.25	....
Inter. City Baking com.	29.00	33.00
Inter. Proprietaries "A"	23.75	24.75
Langleys pfd.	30.00	40.00
Loew's Lond. c.	.50	.90
Loew's London 7% pfd.	3.25	4.00
Maple Leaf Gdns. pfd. bonus c.	2.50	3.00
Massey Harris pf.	15.50	16.50
Melchers Distilleries "A"	1.40	2.00
Mount Royal Htl. com.	.75	1.25
Mount Royal Htl. pfd.	5.00	7.00
Nat. Grocers c.	1.00	1.60
Nat. Grocers 2nd pfd.	37.50	42.00
Nat. Sewer Pipe com.	7.50	....
Neilson, Wm., c.	5.00	....
Provincial Paper 7% pfd.	38.00	40.50
Reliance Grain pf.	57.00	60.00
Rolland Paper pfd. W.W.	31.50	32.50
Standard Clay Products c.	16.00	20.00
Standard Fuel pfd. bonus	55.75	58.00
Supertest Petroleum "B"	17.25	20.00

Industrial Stocks:	Bid	Asked
Toronto Brick pf.	....	39.00
Toronto Carpet c.	....	90.00
Toronto Carpet 8% pfd.	....	86.00
Toronto Elevators 7% pfd.	76.00	78.50
Toronto Housing com.	14.00	22.00
Western Grain pfd. bonus c.	30.00	33.00
Willards Choc. pf.	....	22.00
Wood, Alex. & James pfd.	19.00	....
Insurance Stocks:		
Br. Amer. Assce.	30.50	40.00
Can. Life Assur.	360.00	425.00
Can. Fire Ins.	64.25	67.50
Confederation Life 20% pd.	135.00	....
Continental Life 20% pd.	42.00	52.00
Crown Life Ins.	110.00	130.00
Dom. Fire Ins.	92.25	100.00
Dom. Life 50% pd.	241.00	270.00
Dom. of Can. Gen. Ins.	105.00	125.00
Excelsior Life 30% pd.	79.00	85.00
Fidelity Ins. of Can.	....	68.00
Great West Life Assce.	230.00	235.00
Guarantee Co. of N. A.	202.00	....
Halifax Fire Ins.	9.25	10.75
Imp. Life Assce.	241.00	260.00
Mfrs. Life Ins.	225.00	230.00
Monarch Life 10% pd.	19.00	24.00
Nat. Life 25% pd.	65.00	70.00
Saskatchewan Life 10% pd.	11.25	16.00
Sovereign Life 25% pd.	15.00	20.00
Sun Life Assce.	280.00	310.00
Western Assce. c.	15.00	20.00
Western Life 20% pd.	6.25	....
Trust & Loan Stocks:		
Can. Gen. Invest. Ltd.	2.75	3.05
Chartered Trust	....	65.00
Deb. & Sec. pfd.	22.00	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	140.00	145.00
Guelph & Ont. Inv. Par $50	45.50	51.00
Lambton Loan & Sav.	52.50	58.00
London & Western Trust	81.75	85.00
Investment Foundation Units	18.00	21.00
Mtge. Disc. pfd.	2.35	3.00
Mutual Fin. pfd.	....	2.25
Northern Trust	....	24.50
Premier Trust	85.25	88.00
Prov. Bank	95.50	100.50
Security Loan & Savings	94.50	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	54.00	59.00
Traders Fin. c.	1.00	2.00
Traders Fin. pfd.	25.00	33.50
Trusts & Guaran.	46.50	....
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	96.00	105.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	92.25	93.25
Calgary Pwr. 6% pfd.	68.00	70.00
Can. Light & Pwr. com.	18.50	20.00
Can. West. Nat. Gas LH&P c.	18.00	23.00
Can. West. Nat. Gas LH&P pfd.	69.00	71.00
Great Lakes Pwr. pfd.	....	67.00
Maritime Tel. & Tel. c.	10.50	11.25
Maritime Tel. & Tel. pfd.	10.50	11.25
N.B. Tel. c.	7.50	8.25
N.S. L&P pfd.	70.00	75.00
Recent London Quotations:		
Brewer Distillers		4s. 4½d.
Can. & For. sec.		3s. 9d.
Can. West. Lumber		1s. 6d.
Hudson's Bay		17s. 6d.
Do., 5%		70s.
Internat. Holdings		$1 9/16
Nfld. Pr. & Pap. deb. stock "B"		102½
Trust & Loan of Can.		2s. 6d.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	Jan. 3	Dec. 15
Bk. Can. Nationale	10%	2½%	Dec. 1	Nov. 15
Bank of Montreal	10%	2½%	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Borden's c. (No. 91)	$2	50c	Dec. 1	Nov. 15
Belding Corticelli pfd.	7%	1¾%	Dec. 15	Nov. 30
Canadian Oil	$1	25c	Nov. 15	Nov. 1
Do., pref.	8%	2%	Jan. 2	Dec. 20
Can. Hydro-Electric 1st pfd.	6%	1½%	Dec. 1	Nov. 1
Cons. Divers. Std. Secs. 1st pfd.		25c	Dec. 1	Nov. 1
Cosmos Imperial pref.	$3.50	87½c	Nov. 15	Oct. 31
Can. Converters	$2	50c	Nov. 15	Oct. 31
Consolidated Sand, pfd.	$2	50c	Nov. 15	Oct. 31
Can. Bank of Commerce	10%	2½%	Dec. 1	Oct. 31
Chase, A. W., pref.	$4	$1	Nov 10	Oct. 31
Can. Silk Products "A"	$1.50	37½c	Dec. 1	Nov. 15
Crow's Nest Pass Coal	...	$1.50	Dec. 1	Nov. 10
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
East. Theatres c.	$2	50c	Dec. 1	Oct. 31
Imperial Oil (coupon 35)	50c	12½c	Dec. 1	Nov. 15
Kelvinator, pref.	$7	$1.75	Nov. 15	Nov. 5
Laura Secord	$3	75c	Dec. 1	Nov. 15
Lindsay, C. W., pref.	6½%	1⅝%	Dec. 1	Nov. 15
Loblaw Groceterias "A" & "B"	80c	20c	Dec. 1	Nov. 12
Do., bonus	...	20c	Dec. 1	Nov. 12
McIntyre Porc. M.	$1	25c	Dec. 1	Nov. 1
Do., extra	50c	12½c	Dec. 1	Nov. 1
Merland Oil	...	*2½c	Nov. 15	Oct. 31
McColl Frontenac c.	60c	15c	Dec. 15	Nov. 15
National Biscuit	$2.80	70c	Jan. 14	Dec. 16
Do., pref.	$7	$1.75	Nov. 30	Nov. 15
N.S. Light & Pr. pfd.	$6	$1.50	Dec. 1	Nov. 15
Provincial Bank	$8	$2	Dec. 1	Nov. 19
Petrol Oil & Gas	...	1c	Dec. 20	Dec. 1
Penmans	$3	75c	Nov. 15	Nov. 5
Quebec Power	$1.50	38c	Nov. 15	Oct. 21
Rolland Paper, pfd.	6%	1½%	Dec. 1	Nov. 15
Royal Bank	10%	2½%	Dec. 1	Oct. 31
Shawinigan W. & Pr.	50c	12c	Nov. 15	Oct. 21
Do.	...	13c	Feb. 15	Jan. 21
Southern Can. Power c.	$1	25c	Nov. 15	Oct. 31
Standard Paving pref.	$2	50c	Nov. 15	Oct. 31
Siscoe Gold Mines	...	3c	Dec. 16	Nov. 30

*Initial.

Dividends Passed or Deferred:

Brazilian Traction, Dec. 1 deferred. Last paid 2% stock dividend Sept. 1, 1932.

Canadian Car, com. Nov. 30, passed. Last paid 15c. Aug. 30, 1932.

Ontario Steel Products, pref. Nov. 15 passed. Last paid 1¾% Aug. 15, 1932.

Simon, H. & Sons, pref., Dec. 1, deferred. Last paid 1¾% Sept. 1, 1932.

Dominion Motors, Nov. 2, passed. Last paid 10c. May 2, 1932.

Dividend Rate Reduced:

Provincial Bank Dec. 1, reduced from $9 to $8 per annum.

Extra Dividends:

McIntyre Porc. Mines, 12½c Dec. 1.

Loblaw "A" & "B" 20c. Dec. 1.

Listed Bond Quotations

Week Ending November 7

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	19	...	...	46	19½
Asbestos	5	1942	...	21	...	...	65½	49
Do., 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs.	5	1948	7.30	...	...	...	83½	...
Cedars Rapids	5	1953	5.20	...	...	...	101	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	37½	40	39	50	39
McNish	6	1948	...	†3.50	...	...	3.50	1.00
Mex. L. & Pr.	5	1940	...	46	...	...	*73½	70½
Mont. LH&P deb.	3	1939	...	41¼	41⅜	40	44	35
Mont. Tr. 1st mtg.	5	1941	5.20	97	...	...	98⅜	90½
Mont. Trams. "A"	5	1955	6.46	81½	...	...	85½	69½
Do., G. & Ref. "B"	5	1955	7.45	...	...	...	79⅜	78½
Do., "C"	4½	1955	6.43	...	...	...	77½	77
Do., "D"	5	1955	6.62	...	...	...	81	78
N. S. Steel	5	1959	...	†78	...	...	*62½	59
Ontario Steel	6	1943	5.94	90	...	...	109½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada	6	1940	...	104½	...	...	102½	100½
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.	5	1935	...	80	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.42	111.25	...	...	110.00	102.00
Victory Loan	5½	1933	4.15	101.25	101.20	...	101.55	100.25
Do.	5½	1934	4.15	101.85	102.00	101.00	102.40	99.25
Do.	5½	1937	3.82	108.25	...	...	109.75	104.00
Do., refund	4½	1940	4.56	99.00	...	...	98.25	91.50
Do., refund	5	1943	4.70	101.75	...	...	102.50	95.38
Do., refund	4½	1944	4.63	98.25	...	...	96.75	89.50
Do., refund	4½	1946	4.60	98.25	...	...	92.25	91.50
Conversion Loan	4½	1956	4.58	97.00	...	...	91.50	88.25
Do.	4½	1957	4.58	96.75	...	...	90.50	88.50
Do.	4½	1958	4.56	97.75	99.37	99.00	99.37	88.50
Do.	4½	1959	4.53	98.75	99.50	99.00	99.50	88.75
Nat. Service Loan	5	1936	4.38	101.90	...	...	102.25	96.25
Do.	5	1941	4.72	101.50	...	...	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
November 8, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	19.50	21.00
Acadia Sugar 6% 1946	83.00	87.00
Alta. Pac. Grain 6% 1946	84.00	86.00
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	40.00	50.00
B. A. Oil 5% 1945	85.00	....
Canada Biscuit 6½% 1946	30.00	35.00
Canada Bread 6½% 1941	87.00	....
Canada Cement 5½% 1947	73.00	76.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	75.00	77.50
Can. Copper Refin. 6% 1945	95.50	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	34.00	37.00
Can. Vickers 6% 1947	73.00	75.00
Cons. Invest. 4½% 1959	43.00	....
Cosmos Imp. Mills 6½% 1944	86.00	89.00
Davies, Wm., 6% 1942	87.00	90.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	68.00	73.00
Dom. Telegraph 5½% 1978 "A"	86.00	88.00
Dom. Textile 6% 1949	93.00	....
Dom. Woollens 6% 1948	....	22.00
Donnacona Paper 5½% 1948	17.00	20.00
Eaton Realty 5% 1949	83.00	85.00
Famous Players 6% 1948	68.00	70.00
Famous Players 6½% 1948	50.00	54.00
Federal Grain 6% 1949	75.00	80.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	16.50	18.00
Gypsum, Lime & Alab. 5½% 1948	38.00	42.00
Harris Abattoir 6% 1947	86.00	....
Howard Smith 5½% 1953	58.00	62.00
Loew's Toronto 6% Serial	95.00	100.00
London Realty 6½% 1950	52.00	55.00
Maple Leaf Milling 5½% 1949	58.00	60.00
Massey Harris 5% 1947	65.00	67.00
McColl-Frontenac 6% 1949	83.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	40.00	45.00
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	64.00	70.00
Price Bros. 6% 1943	31.00	38.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	70.00	75.00
Simpsons Ltd. 5½% 1949	....	65.00
Simpsons Ltd. 6% 1949	....	65.00
Steel of Can. 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	54.00	57.00
United Grain Growers 5% 1948	79.00	84.00
United Grain Growers 5½% 1949	88.00	....
Western Grain 6% 1949	65.00	70.00
Public Utility Bonds:		
Bell Telephone 5% 1955	111.00	....
Bell Telephone 5% 1957	111.00	....
B. C. Power 5% 1960	80.00	85.00
B. C. Telephone 5% 1960	90.00	94.00
Calgary Power 5% 1960	78.00	80.00
Can. Northern Pwr. 5% 1953	74.00	76.00
Duke Price Power 6% 1966	52.00	58.00
Elec. Develop. 5% 1933	110.00	....
French Natl. Mail SS 6% 1952	115.00	120.00
Gatineau Pwr. 5% 1956	71.00	73.00
Gatineau Pwr. 6% 1941	55.00	57.00
Inter. Pwr. 6½% 1957	57.00	59.00
Maclaren Quebec 5½% 1961	72.00	75.00
Manitoba Power 5½% 1951	56.00	59.00
Montreal Isl. Pwr. 5½% 1957	98.00	100.00
Montreal LH&P 5% 1951	105.00	107.00
Montreal LH&P 5% 1970	103.00	105.00
Montreal Tram. 5% 1941 July	96.00	98.00
Montreal Tram. 5% 1955	81.00	84.00
Northwest Utilities 7% 1938	90.00	95.00
Ont. Pwr. Serv. 5½% 1950	79.00	81.00
Ottawa Valley Pwr. 5½% 1970	94.00	96.00
Quebec Power 5% 1968	90.00	93.00
Rio Tramways 5% 1935	85.00	87.00
Shawinigan W & P 4½% 1970	65.00	70.00
Shawinigan W & P 5% 1970	75.00	80.00
Shawinigan W & P 6% 1937	84.00	88.00
Southern Can. Pwr. 5% 1955	93.00	95.00
West Kootenay Pwr. 5% 1956	88.00	90.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	97.75	98.50
C.N.R. 4½% 1957 Dom. Gtd.	97.50	98.50
C.N.R. 5% 1969 Dom. Gtd.	104.50	105.50
C.P.R. 4½% 1944	84.00	85.50
C.P.R. 5% 1954	95.00	98.00
C.P.R. 6% 1942	105.00	107.00
Dom. of Can. 5% 1936	102.00	102.50
Dom. of Can. 5% 1941	101.50	103.00
G.T.P. 3% 1962 Dom. Gtd.	77.00	78.00
G.T.P. 4% 1962 Dom. Gtd.	90.00	92.00
Ont. Hydro 5% 1939 Ont. Gtd.	99.50	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	91.00
Prov. of N.B. 5½% 1950	102.00	103.00
Prov. of Ontario 4½% 1944	100.00	102.00
Prov. of Ontario 5% 1948	101.00	103.00
Prov. of Ontario 5½% 1947	104.50	105.75

Winnipeg Grain Prices

Week to November 8

Crop year from Aug. 1, 1932 High	Low		Open Nov. 2	High for week	Low for week	Close Nov. 8
		Wheat				
.53½	.45½	Nov.	.45½	.49½	.45⅜	.47½
.63½	.44½	Dec.	.45⅜	.49½	.44⅝	.47
.67⅜	.48⅜	May	.49⅜	.53⅜	.48½	.51
.54½	.49½	July	....	.54½	.49½	.52½
		Oats				
.24½	.22½	Nov.	.22⅜	.24½	.22⅜	.23⅜
.28⅜	.20¾	Dec.	.21⅜	.23	.21⅜	.22⅜
.29½	.22½	May	.22½	.25⅜	.22⅜	.24⅜
		Barley				
.28½	.27½	Nov.	.28⅜	.31½	.28	.30⅜
.35½	.25	Dec.	.28⅜	.31⅜	.28½	.31⅜
.38½	.28⅜	May	.29	.33⅜	.28⅜	.33⅜
		Flax				
.78	.66	Nov.	.68⅜	.73½	.67½	.73½
.87	.66¾	Dec.	.67	.73⅜	.67	.73⅜
.94	.71½	May	.73	.79	.73	.79
.79½	.76½	July	....	.79⅜	.76½	.78½
		Rye				
.31½	.26½	Nov.	....	.31½	.27½	.31½
.39⅜	.26½	Dec.	....	.31½	.27⅜	.31½
.42½	.30½	May	.31½	.35½	.30½	.35
.36½	.31⅜	July	....	.36½	.31⅜	.36½

Winnipeg Stock Exchange

(Transactions for week to Nov. 3)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Nov. 3
2	14.8	Blue Ribbon, pref.	2	.13½	.13½	.13½
80c	10	B. A. Oil	125	.08	.08	.08
..	....	Calmont Oil	500	.07	.07	.07
..	....	Commonwealth Oil	500	.06	.06	.06
7	11.1	Crescent Cream., pfd.	3	.63	.61	.63
2	....	Dominion Bridge	3	.16	.16	.16
..	....	Hudson Bay Mining	50	2.85	2.85	2.85
50c	5.5	Imperial Oil	106	.09½	.09	.09
35c	....	North Star Oil, pfd.	50	.02⅜	.02⅜	.02⅜
..	....	San Antonio	200	.56	.56	.56
..	....	Sherritt Gordon	400	.40½	.40½	.40½
1.25	10.4	United Grain Grow.	30	.12	.12	.12
7	11.5	Western Grocers, pfd.	22	.61	.60½	.61

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Reliance Grain pf.	..	60
Beaver Lumb. pf.	..	80	Sovereign Life 25% paid	10	19
Can. Fire Insur.	60	..	Traders Bldg. Assn	65	..
Can. Nat. Fire	14	..	West. Breweries	1	1½
City Dairy 7% pf.	..	50	West. St. Prod., pf.	..	30
City Dairy 8% pf.	..	80	Can. Amer. Tr. shs.	..	2¾
Great West Life	..	245	Fundamental Series "A"	..	3¾
Home Invest. & Sav.	25	..	Fundamental Series "B"	..	3½
Monarch Life 10% paid	15	..	Grouped Inc. shs.	..	3.33
Pelissiers pref	10	..			
Nor. Can. Mtg. pf.	..	15			

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,
Canada Permanent Building, Toronto, Ont.
November 7, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Apr.	89.75	5.22
Alberta	5	1 July, 1943	1 Jan.	96.00	5.49
Alberta	6	1 Mar., 1947	1 Mar.	102.50	5.74
*British Columbia	4½	1 Oct., 1953	1 Apr.	91.00	5.21
*British Columbia	5	15 Jan., 1948	15 July	98.25	5.17
British Columbia	6	15 Feb., 1947	15 Feb.	102.50	5.74
*Manitoba	4	1 July, 1947	1 Jan.	83.00	5.70
*Manitoba	5	2 Dec., 1959	2 Dec.	96.25	5.26
Manitoba	6	1 Apr., 1947	1 Apr.	102.25	5.76
*New Brunswick	4	1 June, 1948	1 Dec.	91.65	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 May	103	5.23
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	98	4.68
Nova Scotia	5	1 May, 1943	1 May	100.75	4.91
*Ontario	4½	1 Sep., 1944	1 Mar.	101.50	4.34
Ontario	5	15 Oct., 1948	15 Apr.	102.25	4.79
Ontario	5½	1 Feb., 1947	1 Feb.	105.50	4.96
P. E. I.	4	1 Apr., 1939	1 Apr.	94.50	5.00
P. E. I.	6	1 May, 1947	1 May	108.50	5.18
*Quebec	4½	1 May, 1961	1 May	102.53	4.10
Saskatchewan	4½	1 Oct., 1944	1 Apr.	87.00	6.04
Saskatchewan	5	1 Oct., 1950	1 Apr.	92.00	5.73
Saskatchewan	6	15 Mar., 1952	15 Mar.	99.50	6.04
*Newfoundland	5	31 Dec., 1952	31 Dec.	.61	9.34
*Newfoundland	5½	1 July, 1939	1 Jan.	67	13.75
*Newfoundland	6½	30 June, 1936	30 Dec.	70	....
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.87	4.70
*Toronto	4½	1 Jan., 1955	1 Dec.	97.24	4.70
*Vancouver	5	15 Jan., 1970	15 July	95.92	5.25
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Apr.	90.70	6.50
Calgary	5	1 Jan., 1943	1 Jan.	87.50	6.67
Halifax	6	1 July, 1951	1 Jan.	108.95	5.25
Saint John	5	15 Dec., 1950	15 Dec.	97.06	5.25
Regina	4½	1 July, 1950	1 Jan.	76.77	6.75
Victoria	5	21 July, 1945	21 July	91.06	6.00
Quebec	5	1 June, 1948	1 Dec.	100.75	4.93

*Payable in New York.

PIG COMMISSION SUGGESTS QUOTAS IN BACON TRADE

British Importers Think Duty Preferable From Canadian Viewpoint

Further details have become available in Canada this week of the quota system of regulating imports and stimulating domestic production of bacon in Great Britain which has been made by the Pig Products Reorganization Commission. Thus the first step has been taken toward fulfilment of the plan laid down in the Imperial Economic Conference regarding imports into Great Britain of bacon from Empire countries.

To Canada the adoption of such a plan would mean a quota of 2,500,000 cwt. of bacon in the British market, which would be about 25 per cent of the proposed restricted imports. This, of course, will only come to pass if the British Government sees fit to pass legislation adopting the Pig Commission's recommendations.

Importers Oppose Quotas

British importers are reported to be strongly against the quota system and just as strongly in favor of a tariff, not exceeding 17 per cent, giving preference to importations of bacon into Britain from Empire countries. They are understood to oppose the quota plan as a definite measure of government control of the industry and as such a destructive system. The importers state that a tariff would give Canada the price preference which they believe has been the chief factor in shutting Canadian bacon out of the British market in the past seven years, and that the quota system would only be beneficial to the Canadian bacon producer if the price level was high enough, which is uncertain at best.

One of the features of the quota plan proposed by the commission is an assured price to British producers of bacon pigs, varying with the price of feeding-stuffs, and based on production costs. Under the quota system there would be no price preference for Empire countries, and this might be a factor in discouraging them in seeking the British market in competition with low priced products from Poland, Russia and other such countries.

In the Irish Free State the imposition of a 20 per cent duty in favor of Empire bacon, which was formerly admitted free, brought an increase from 12,007 cwt. to 148,000 cwt. in importations of bacon from Canada in the first eight months of 1932 compared with the same period of 1931.

Believe Duty Best

Importers in Britain are also reported to believe that a duty of 15 per cent in favor of the Canadian product would result in equalization of competition with products of such countries as Denmark which supply a large portion of the British bacon imports. In recent months such countries have enjoyed an additional preference in the British market in the form of favorable foreign exchange rates. Danish exchange has followed the pound closely, and so Danish producers have received the full benefit in kroner of the British price obtained for their bacon. The Canadian dollar has until recently been considerably higher than sterling, and Canadian exporters have as a result suffered a discount from the actual price received. Apart entirely from the ability of Canada to produce the type of bacon desired for the British market, this has acted unfavorably on our export business with Great Britain, at least in this commodity.

Neither quotas nor duties have been able to cope with wide fluctuations of foreign exchange rates throughout the world in recent months, and they can hardly hope to do so. The current weakness of the Canadian dollar in New York and resultant strength of sterling here can do much to improve this position.

The next step in the scheme of things will be the action of the British Government in dealing with the recommendation of the Pig Commission.

DISTILLERS-CORP. SALES MAY BENEFIT

Excise Reduction Will Cut Cost to Consumer — Earnings Lower

From Our Own Correspondent

MONTREAL.—Distillers Corp.-Seagram's may benefit by the reduction in excise duties on liquor and the consequent lowering of prices to the consumer which will be effected by the provincial Liquor Commissions. New prices are under consideration in Quebec and other provinces.

Financial statement of the company for the year ended July 31 will not be released for a few weeks but it is expected that a sharp drop in earnings will be revealed. In the previous period earnings were equal to $1.50 a share, before provision for income tax.

Rumors of a merger of leading companies are not commented on by officials; such a move has been considered on previous occasions but it is understood there are still substantial problems involved in its successful consummation.

Shares of Distillers Corp. have been more active, reflecting anticipation of some revision of existing liquor laws in the United States Recent quotations have been in the neighborhood of 6 compared with a low this year of 3. It is pointed out in a survey of the possible legalization of light wines and beer in the States carried out by the New York Trust Co., that State action as well as Federal action would be required even though the 18th Amendment were repealed outright. It might be some time, therefore, before any change in existing laws would find reflection in sales of Canadian distillers.

Judge Decides Automobile Exempt from Seizure

The fundamental present day importance of the automobile in business was brought out in Ontario recently in a unique judgment in which Judge Costello of Huron County declared the car of an implement agent exempt from seizure by the sheriff.

The agent's territory, where he sells fertilizer, is thirty miles long and fifteen miles wide, and the judge decided it would be utterly impossible for him to carry on his job without a car. "I cannot hold otherwise than that this man's car is a chattel necessary for his calling," said Judge Costello. The judgment is interesting in that it is believed to have set a precedent.

Newsprint Meetings Still Being Held

From Our Own Correspondent

MONTREAL. -- Conferences between executives of Canadian newsprint companies and banking interests as yet have produced no definite results. Meetings are still being held but extent of the problems involved do not work in favor of an early solution.

Increased premium on American funds apparent in the past few days tends to aid the position of the Canadian producer selling his output on contract. Spot prices in New York, on the other hand, are reported to have been reduced as the premium rose, tending to deprive the Canadian manufacturer of the benefit of exchange rates to some extent.

EXTRA PAYMENT TO BE CONSIDERED BY CAN. CELANESE

Rumors of Disbursement on Arrears Reflected in Share Values

From Our Own Correspondent

MONTREAL.—Prospects for a payment on account of dividend arrears on the preferred stock of Canadian Celanese Ltd. have been reflected in share values which have risen in recent trading to 81, the highest figure to be recorded since 1928. Directors met recently to consider action on the arrears and it is stated that the matter of a small payment in addition to the regular dividend may be discussed in December.

A disbursement of one per cent is rumored as being the sum under consideration as a start in liquidating preferred arrears. The stock, of which there is $9,000,000 outstanding is 29¾ per cent in arrears though dividends have been paid without interruption since December, 1930.

Business Continues Active

Business of the company continues on a satisfactory basis. For the first half of the year earnings were stated to be in excess of the same period in 1931 and profits after all charges were in excess of dividend requirements. In 1931 net earnings totalled $1,260,449 and net profit of $805,165 was equal to $8.95 a share on the preferred stock.

Canadian Celanese has been successful in securing a larger share of the domestic market.

NEW GUINEA GOLD FIELD OPENED UP WITH AEROPLANES

Two Dredges and Mining Plant Taken Into Dense Interior

If confirmation was lacking as to the efficacy of the modern aeroplane, it was abundantly provided in an address by C. W. Van Law, addressing the Toronto branch of the Canadian Institute of Mining & Metallurgy this week on the world's newest gold field, New Guinea.

While the shores of this equatorial island have been known and visited by white men for decades, the interior remains in its primitive state, the tribes still living principally in the stone age. Many of them are cannibals and head hunters. For the white man to penetrate this dense forest is almost impossible and when gold was found near the mouth of the Bulolo River, it required a slow, tedious and dangerous journey into the interior in the effort to trace its probable source. After a foot trail was once established it required eight days' travel over land to reach the area which was but 35 miles distance, air line, from the port of Salamoa. There were also two mountain ranges 7,000 ft. in height, intervening in the 35 miles that added to the danger.

It was early realized that the area could not be developed by an overland route. As a consequence aeroplane transportation was inaugurated and what has been accomplished by way of transporting heavy mining machinery, dredges and even a 100-ton cyanide plant to this dense interior is a tribute to modern air transportation.

Took in Two Dredges

A landing field was established in Salamoa, the port and a companion landing field cut out of the virgin forest at the site of the mining property. What has been accomplished by one company is characteristic of the several operating in the area. The Bulolo Gold Dredging Co., which incidentally is a British Columbia incorporation of 1930 and of which Charles A. Banks, of Vancouver, is managing director, undertook to transport two massive dredges to this interior. Each dredge involved the conveying of approximately 1,500 tons of equipment and as a tribute to the engineers and sponsors of the enterprise it is suffice to say that the two dredges were transported, delivered and erected according to schedule established a year previous and placed in operation within 11 days of the scheduled date, without loss or damage of any part of the dredge or aeroplane. When it was realized that a forced landing in the 35-mile jaunt into the interior meant not only the loss of the plane but the probable loss of the life of the aviator if not through accident, through death at the hands of the cannibals, and further, that several months' delay might ensue in replacing the part of the dredge carried, it will be better understood what was accomplished. The aeroplanes employed were the giant Junkers type, similar to the one placed in service about a year ago by the Canadian Airways. Owing to the short flight, gasoline carrying capacity was not a factor, and the available pay load was approximately 3½ tons. The fuselage of the aeroplane was especially designed for receiving the heavy parts of the dredge and the interior construction was not unlike that of the Junkers now in service in Western Canada.

Had Remarkable Luck

Canadian aviators and air transport companies have established some remarkable records flying between Edmonton and Great Bear Lake, a distance of some 1,200 miles over what has been heretofore uncharted territory, but at least this area provided numerous lakes on which pontoon planes might alight. The remarkable part of the flying of the heavy dredges into the New Guinea interior is that there were forced landings. The entire project was conducted during the space of a year and some thousands of flights made without accident.

That the adventurers who conceived the project have been amply repaid is shown by the steady flow of gold from the rich gravel beds of the tributaries of the Bulolo River. The first dredge was placed in operation this month. Two other dredges are planned for the area.

Bondholders Approve Regent Knitting Plan

From Our Own Correspondent

MONTREAL.—Bondholders of Regent Knitting Mills have approved a plan to extend the maturity of their bonds from 1935 to 1942. They also have consented to creation of a sinking fund and for that purpose the company will deposit with the trustee beginning September 1, 1934, and annually thereafter until 1941, the sum of $10,000.

The plan is expected to enable the company to improve its position. Formerly the first mortgage bonds matured serially; now all outstanding bonds, totalling $391,800 at the end of 1931, will not mature until 1942.

It was also agreed that the General Trust of Canada, trustee for the bond issue, should arrange to submit two names for election to the directorate at the next annual meeting These two individuals will act especially on behalf of the bondholders.

Mining Stock Quotations

Week Ending November 7

Par Val.	Range High	1932 Low	Company	Sales	Close Oct. 31 (or last)	High for week	Low for week	Close Nov. 7
1	.06	.03	Abana	1,000	.04½	.05	.04½	.04½
1	.03	.00½	Aconda	.....	.01	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
No	.20	.04	Algoma	19,700	.04	.04½	.04	.04½
1	.09	.00¾	Alexandria	25,100	.02	.02	.01½	.02
1	.01½	.00¼	Algonquin	17,000	.00¾	.00½	.00½	.00½
1	.01½	.00¼	Amity C.	1,500	.01	.00¾	.00¾	.00¾
No	.36	.06	Amulet	5,174	.19	.19	.14½	.19
1	.00½	.00¼	Apex	.....	.00¼	.....	.....	.....
1	.04	.01	Area	.....	.02½	.....	.....	.....
No	.03½	.00½	Arno	33,500	.02	.02½	.02	.02½
1	.02½	.02	Astoria Rouyn	.....	.02½	.....	.....	.....
1	.07	.02½	Bagamac	.....	.03	.....	.....	.....
1	.01½	.00½	Baldwin	.....	.01	.....	.....	.....
1	.12	.03	Barry Hollinger	3,000	.03	.03½	.03	.03½
No	1.45	.30	Base Metals	100	.90	.90	.90	.90
No	.12	.01	Bidgood	45,000	.01½	.01½	.01½	.01½
1	.21	.04	Big Missouri	1,600	.13½	.14	.13	.14
1	.11½	.02	Bobjo	39,300	.07½	.08½	.07	.08
1	.23	.02½	Brett Trethewey	9,000	.16	.16	.15	.15½
No	.03	.00½	Brownlee	3,140	.01½	.02	.01½	.01½
1	.01	.00½	Buckingham	500	.00½	.00½	.00½	.00½
No	.36	.02	Buffalo Can.	1,000	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	.....	.01½	.....	.....	.....
5s	1.03	.10	B'Wana McKubwa	.....	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.04	.02	Canam Metals	.....	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	9,000	.02½	.02½	.02½	.02½
1	.09	.00½	Canusa	3,000	.03	.03½	.03½	.03½
No	.02½	.00½	Capital Rouyn	500	.00¾	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	3,500	.03	.03	.02½	.03
1	.21½	.09	Castle Trethewey	2,200	.13½	.17	.15	.17
1	.09½	.04	Cen. Manitoba	600	.07	.06½	.06	.06
1	.16	.02	Cen. Patricia	7,425	.11½	.14	.11	.13
No	.07½	.01½	Chibougamau Pros.	500	.04	.04	.04	.04
No	.02	.00½	Clericy	17,000	.01	.01	.01	.01
5	5.00	.45	Coast Copper	875	2.50	3.00	2.50	3.00
1	.02½	.00½	Cobalt Contact	.....	.01½	.....	.....	.....
No	.16	.15	Cobue	.....	.15½	.....	.....	.....
1	.14	.03	Columario	41,700	.13½	.13½	.10½	.11
5	1.10	.69	Coniagas	.....	1.00	.....	.....	.....
No	.50	.23	Coniaurum	.....	.25	.....	.....	.....
25	102.00	25.00	Cons. Smelters	968	68.00	70.00	63.50	70.00
No	13.25	9.00	Dome Mines	6,408	12.65	13.15	12.15	13.05
No	.10	.02	Dom. Explorers	26,100	.03½	.05	.03½	.04
	.00½	.00½	Dominion Kirk	1,000	.00½	.00½	.00½	.00½
1	.04	.00½	Don Rouyn	.....	.02	.....	.....	.....
	.04	.02½	Duparquet	1,000	.03	.02½	.02½	.02½
1	1.60	.76	Eldorado	13,800	1.20	1.30	1.17	1.27
No	2.40	.47	Falconbridge	8,862	1.65	1.95	1.65	1.93
1	.04	.00½	Federal	4,000	.00¾	.01	.01	.01
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	.....	.01½	.....	.....	.....
1	.03	.00½	Goldale	.....	.01½	.....	.....	.....
10	.24	.05½	Goldfield	.....	.22	.....	.....	.....
1	.00½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02½	Goodfish	6,000	.03	.03	.03	.03
1	.03½	.00½	Graham	.....	.01½	.....	.....	.....
1	1.25	.50	Granada	3,670	.70	.80	.68	.79
1	.22	.05	Grozelle	10,000	.08	.07	.05	.05
1	.03½	.01	Harker	1,000	.02	.02	.02	.02
1	.01½	.00½	Hilltop	3,000	.00½	.00¾	.00½	.00¾
5	5.80	4.25	Hollinger	7,808	5.05	5.25	5.00	5.25
1	.72	.26	Howey Gold	15,150	.53	.58	.53	.56
No	5.30	.92	Hudson Bay	4,830	2.90	4.50	2.81	4.45
No	.25	.13	Huronian	360	.13	.25	.20	.25
No	13.50	4.00	Int. Nickel	28,716	8.50	10.00	8.00	9.87
1	.01¾	.00½	Jackson Manion	.....	.00½	.....	.....	.....
1	.25	.19	Keeley	400	.20	.20	.20	.20
1	.02½	.00½	Keora Mines	10,500	.00¾	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	500	.50	.50	.50	.50
1	.02½	.00½	Kirk. Hunton	2,000	.00¾	.00½	.00½	.00½
1	.55	.19	Kirkland Lake	13,000	.27	.29½	.26	.29½
1	.03½	.00½	Kirkland Premier	3,500	.01½	.01½	.01½	.01½
1	.15½	.05	Kirk. Townsite	5,200	.12½	.14	.12	.13½
20c	.01½	.00½	Koot. Florence	.....	.00½	.....	.....	.....
1	.01½	.00½	La Rose	.....	.01½	.....	.....	.....
1	.41	.14	Lakeland	.....	.15	.....	.....	.....
	.29	.20½	Lake Maron	89,150	.23	.20	.22½	.25
1	30.25	24.10	Lake Shore	6,177	29.05	29.75	29.10	29.40
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.07	.01½	Lebel Ore	500	.01½	.01½	.01½	.01½
1	.41	.13	Macassa	24,300	.16	.19	.15	.18
1	.07	.01½	Malartic	500	.03	.03½	.03½	.03½
1	.04	.00½	Malrobic	71,500	.02	.02½	.02	.02½
No	.08	.02	Mandy	.....	.07	.....	.....	.....
No	.02	.00½	Manitoba Basin	5,000	.01	.01½	.01	.01½
5	21.35	14.70	McIntyre	5,055	19.00	20.25	17.90	20.20
1	.35	.25	McKinley	.....	.30	.....	.....	.....
No	.09½	.02½	McLeod River	15,500	.03½	.03½	.03	.03
No	1.85	.58	Mining Corp.	3,560	1.25	1.34	1.11	1.32
1	.08½	.01½	Moffatt Hall	11,500	.01½	.02	.01½	.01½
1	.02½	.02	Moneta	.....	.02	.....	.....	.....
1	.45	.19½	Moss	4,660	.25	.25	.22	.25
1	.02½	.00½	Murphy	6,000	.00½	.00½	.00½	.00½
No	.06½	.01	Newbec	2,500	.04½	.04½	.04	.04
5	1.48	.50	Nipissing	1,300	1.10	1.15	1.10	1.10
No	23.25	12.50	Noranda	13,512	19.40	20.30	18.70	20.00
No	.39	.10	Nor. Canada	2,600	.30	.32	.30	.30
No	.01	.00½	Old Colony	.....	.00½	.....	.....	.....
1	.09	.05	Osisko	1,500	.06	.05	.05	.05
1	.17	.07	Parkhill	.....	.10	.....	.....	.....
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk	.....	.01½	.....	.....	.....
No	1.25	.35	Pend Oreille	1,300	.60	.60	.60	.60
1	.01½	.00½	Peterson Cobalt	.....	.00½	.....	.....	.....
1	4.70	3.00	Pioneer Gold B.C.	1,800	4.15	4.34	4.14	4.25
1	.00½	.00½	Porcupine Crown	.....	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	.....	.00½	.....	.....	.....
1	.12	.12	Powell Rouyn	.....	.12	.....	.....	.....
1	.75	.32	Premier Gold	600	.53	.55	.54	.55
1	.00½	.00½	Preston E. Dome	.....	.00¾	.....	.....	.....
No	1.18	.15	Prospectors Air's	6,050	1.00	1.18	1.00	1.05
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.10	.03	Quemont	.....	.07	.....	.....	.....
1	.02½	.00½	Ribago	57,000	.00½	.01½	.01	.01½
1	.02½	.01	Ritchie	.....	.01	.....	.....	.....
1	.02½	.00½	Robb Montbray	.....	.01½	.....	.....	.....
1	.70	.25	San Antonio	5,000	.60	.60	.55½	.56
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	23,770	.40	.48	.38	.47
1	1.00	.50	Siscoe	61,935	.76	.88	.75	.85
1	.06½	.00½	South Keora	2,000	.04½	.04½	.03½	.03½
No	.02½	.00½	Stadacona	7,000	.01½	.01½	.01½	.01½
1	.17	.05	St. Anthony	1,000	.06	.06	.06	.06
No	.90	.16	Sudbury Basin	8,435	.53	.58	.45	.57
1	.02½	.00½	Sudbury Contact	.....	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	500	.00½	.00½	.00½	.00½
1	.22	.07	Sullivan	3,000	.14	.15	.13	.15
1	.87	.39	Sylvanite	9,250	.64	.68	.60	.68
1	.07	.01	Tashota	59,500	.02½	.03	.02	.03
1	5.25	3.05	Teck Hughes	33,076	3.20	3.42	3.05	3.35
1	.07½	.02	Thom Cadillac	500	.03	.05	.05	.05
1	.40	.10	Towagmac	100	.17	.17	.17	.17
1	3.00	1.01	Treadwell	.....	1.05	.....	.....	.....
1	.09½	.02	United Kirkland	.....	.05	.....	.....	.....
1	.12	.00½	Vacuum Gas	67,700	.08½	.09	.06½	.08½
No	1.10	.16	Ventures	58,110	.58½	.77	.57	.71
1	.18	.04	Vickers	500	.13	.13	.13	.13
1	.45	.20	Vipond	5,900	.21	.21	.20	.20
No	1.01	.25	Waite Ackerman	.....	.50	.....	.....	.....
1	.08	.01	White Lake	1,500	.04½	.04½	.04	.04½
1	.01	.00½	Wiltsey Coughlan	2,500	.01	.01	.00½	.01
	.10	.04½	Wood Kirkland	.....	.05	.....	.....	.....
No	3.15	2.09	Wright-Hargreaves	9,225	2.77	2.91	2.75	2.86
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	17,000	.10½	.12½	.10	.12½
1	1.17	.60	Ajax	1,000	.75	.72	.72	.72
1	.18	.04½	Alta. Pacific	1,000	.10	.08	.08	.08
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.20	.02	Associated	500	.08	.08½	.07	.07
No	.09	.01	Baltac	1,000	.02	.02½	.02½	.02
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	.....	.35	.....	.....	.....
1	.15	.04	Calmont	.....	.06	.....	.....	.....
1	.14	.03	Common. Pete	500	.06½	.06	.06	.06
No	.40	.05½	Dalhousie	200	.16	.16	.16	.16
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.16	.04	East Crest	200	.07	.07	.07	.07
No	.01½	.01½	Fabyan Pete	.....	.01½	.....	.....	.....
No	.25	.05	Foothills	.....	.15	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.85	.15	Home	810	.40	.35	.30	.34
No	.05	.01½	Homestead	.....	.01½	.....	.....	.....
1	.05	.09	Homest'd O. & G.	50,500	.18	.22	.18	.20
1	.01	.00½	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	.....	.00½	.....	.....	.....
No	.10	.04	Lowery	.....	.10	.....	.....	.....
No	.02	.00½	Madison	.....	.00½	.....	.....	.....
1	.32	.05½	Mayland	.....	.17	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.22	.04½	Merland	2,100	.15	.15	.15	.15
No	.15	.08½	Mill City Pete	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.01	Nordon	5,000	.09	.09½	.09	.09½
No	.06	.02	Oil Selection	2,500	.03½	.03½	.03½	.03½
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	.....	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	6,400	.19	.20	.17	.17
No	.20	.02	Penn. Pete	272,290	.11½	.12½	.10	.10½
No	20.00	20.00	Perfection Pete, Pfd.	.....	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	6,000	.15	.17	.15	.15
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00½	Regent	.....	.00½	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	9.85	3.95	Royalite	156	7.50	6.75	6.50	6.75
1	.29½	.05	Sarnia Oil	14,500	.12	.15	.10	.12
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
No	.12	.05	South West Pete	.....	.05	.....	.....	.....
1	.30	.10	Spooner	.....	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	3,000	.13	.12	.12	.12
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02½	.00½	Wainwell	3,600	.01½	.01½	.01½	.01½
			VANCOUVER STOCK EXCHANGE (Transaction for Week to November 1)					
25c	.00½	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05½	.03½	Beaver Silver	1,500	.03½	.02½	.02½	.02½
25c	.04	.01	Bluebird	.....	.04	.....	.....	.....
No	.81	.50	Bralorne	1,400	.67	.66	.64	.66
1	.12	.04	Bridge River Cons.	100	.04½	.05	.05	.05
25c	.01½	.01	Cork Province	.....	.01	.....	.....	.....
1	.13	.02	Cotton Belt	500	.03	.02	.02	.02
1	.01½	.01½	Dalhousie Mines	.....	.01½	.....	.....	.....
1	1.00	.15	George Copper	150	.50	.46	.45	.46
50c	.02	.01	Geo. Enterprise	.....	.01	.....	.....	.....
1	.05	.01	Georgia River	30,500	.03½	.03½	.03	.03½
1	.35	.10	Golconda	.....	.18	.....	.....	.....
50c	.08	.02	Grandview	3,400	.04	.03½	.03	.03½
1	.01	.00½	Independence	.....	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01	.....	.....	.....
1	.13	.08	Inter. Coal	500	.12	.09½	.09½	.09½
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	3,000	.03½	.01½	.01½	.01½
5c	.12	.04	Metaline Metals	.....	.06	.....	.....	.....
1	.03	.00½	Morton Woolsey	500	.01	.00½	.00½	.00½
50c	.03½	.00½	National Silver	21,000	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	9,300	.03½	.03	.03	.03
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.60	3.00	Pioneer Gold	125	4.20	4.35	4.30	4.30
50c	.08½	.02	Porter Idaho	4,000	.04½	.04	.04	.04
No	.01	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	.....	.20	.....	.....	.....
1	.63	.21½	Reno Gold	8,696	.60	.63	.57	.61
1	.02½	.01	Rufus Argenta	.....	.01½	.....	.....	.....
1	.05	.02	Ruth Hope	3,300	.02½	.02½	.02	.02
1	.05	.02½	Silverado	.....	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	5,150	.01	.01	.01	.01
50c	.02½	.00½	Snowflake	5,500	.01	.00½	.00½	.00½
1	.79	.25	Sunloch	100	.28	.25	.25	.25
20c	.02½	.01	Wellington	.....	.01	.....	.....	.....
1	.06½	.00½	Whitewater	.....	.04½	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Petrol Oil	1c.	....
Coniaurum	3c.	....	Premier	12c.	21.81
Dome Mines	$1+10c.	8.42	Pioneer, B.C.	12c.	2.82
Hollinger	65c.	12.38	Royalite	50c.	....
Howe Sound	40c.	....	Siscoe	3c.	....
Lake Shore	$2+50c.	8.50	Sterling Pac. Oil	2½c.	....
McIntyre	$1.50	7.42	Sylvanite	4+½c.	6.61
McLeod Oils	5c.	....	Teck Hughes	60c.	17.90
Merland Oil	2½c.	....	Wright-Har.	10+2½c.	4.37
Noranda	50c.	2.50			

SEEK TO DEFER BOND INTEREST NOR'WEST POWER

Protective Committee Invites "Independent" Body to Nov. 14 Meeting

From Our Own Correspondent

MONTREAL. — Bondholders of Northwestern Power Co. at the special meeting to be held November 14, will be asked to consent to a short temporary postponement of interest on such terms as they may impose, according to a letter which has been sent out by the protective committee headed by J. B. Woodyatt. Importance of securing a quorum at the meeting is stressed; with a postponement authorized, the letter continues, the committee can proceed with formulation of a complete plan of reorganization without the danger of precipitate action being taken by individual bondholders. Deposits now exceed $5,400,000.

Another statement has been sent out to bondholders by the committee telling them that the "independent" committee has been invited to the November 14 meeting where bondholders will be told of the findings and recommendations resulting from an independent survey of the Northwestern Power properties and that of the guarantor company.

Referring to the activities of the "independent" committee the latter continues:

"1. The 'Independent Committee,' so called, has no connection whatever with the undersigned. The personnel of the 'Independent Committee' has not been disclosed, nor is any information given as to the amount of bonds, if any, represented

"2. The Protective Committee is convinced that controversy through the columns of the press respecting the affairs of the companies involved can only prejudice the bondholders' interests, and the undersigned do not feel warranted in spending money or time for that purpose. The obvious place for information, criticisms or suggestions is at the meeting of bondholders which the trustee has called, at the request of the undersigned, for the 14th inst. The Protective Committee has written to the gentleman appearing as secretary of the 'Independent Committee,' extending an invitation to those whom he represents to attend this meeting, where they will be afforded full opportunity to give the bondholders first-hand information respecting their activities and interests.

"3. The Protective Committee will report fully to the meeting respecting the financial, commercial and public aspects of the situation affecting the bonds and their guarantee. For this purpose it has had an independent examination made of the position of the company and its guarantor and the associated units. The results of this examination will be presented at the meeting.

"4. The undersigned beg to remind the bondholders that the Protective Committee was formed, after consultation with representatives of a large number of the holders of substantial blocks of bonds, for the purpose of acting in unison for the protection of the bondholders. In constituting the committee, effort was made to give representation having regard to the location of the various groups of bondholders and the extent of their interests and, to carry out that principle, readjustments in the personnel of the committee have been made as required.

"5. This committee is operating under a deposit agreement duly executed by all its members and regularly filed with The Royal Trust Company. The names and businesses of those who compose the committee are well known and were disclosed in the first circular sent out on August 12, 1932. Bondholders have shown their confidence in the committee by depositing over $5,400,000 in bonds. The committee is asking for a special proxy because the short postponement of interest recommended is purely provisional and is not part of a completed plan.

"6. The Protective Committee has no hesitation, therefore, in asking the co-operation of both depositing and non-depositing bondholders, and requests those who are unable to be present at the meeting on November 14 to send in their proxies in favor of Mr. Osler, Mr Kilpatrick or Mr. Rudolf.

"7. The committee's view is that it would be distinctly detrimental to the bondholders to have the meeting adjourn for want of a quorum. Bondholders are therefore strongly urged either to send in their proxies or to attend the meeting personally."

CANADA TO ANNEX U. S. A. AS SCOTSMEN DID ENGLAND

(Continued from page 9)

line of demarcation so that it ran through the waters of Lake Superior. The mere deflection of the historic pencil an inch or two to the south would have vastly changed the present status of this country. The story of American Steel would have been a Canadian, not a Yankee drama."

But the United States got the iron and so a Scotch-born industrialist used the invention of a British scientist to shift the industrial leadership of the world from the United Kingdom to the new land overseas.

His First Steel Plant

Carnegie had difficulty in inducing his conservative associates to help him finance his new steel company but he found a few venturesome souls in Pittsburgh. Together they formed the Edgar Thomson Steel Co. The enterprise was launched on the eve of the panic of '73. During years of deepest depression he continued building, staking his financial all on this plant. Other iron plants lay idle, but he was building at depression prices. Several of his partners were floored by the panic, demanded or pleaded to be bought out. Carnegie became the dominant partner in the company. Those who sold to him lost their chance to become multi-millionaires. This company together with his iron interests became Carnegie Bros. & Co. in 1881, his beloved brother Thomas being brought into the new firm in a handsome way. And Henry Clay Fitch, youthful genius of coke, was given a place in the combine.

Partnership Basis

In the Carnegie Bros., Andrew adopted the plan that he followed all his life of making the business an association or partnership. No man could retain stock after leaving the company nor could he will it. All stock was to be repurchased by the company on long-term installments and could be available for sale to new partners as they were admitted. Wall Street was not to have its fling with Carnegie Steel for many years.

With men like Fitch and young Charlie Schwab to aid him, Carnegie became the world's foremost manufacturer. In 1896 he inventoried his estate at $15,000,000. Its real value was probably twice that; his income was $1,800,000 a year. Every cent he owned was invested in his own companies. He had followed well his own maxim to "put all your eggs in one basket and watch the basket."

His Gospel of Wealth

Seven years before Carnegie had startled the world with his manuscript "The Gospel of Wealth," which has influenced wealth distribution in every country ever since. He held that in this presently imperfect world the struggle for great wealth was a necessary creative force; but no man should want to die wealthy. He should leave his dependents only what was necessary to enable them to continue the standard of living to which they were accustomed. He should not will his millions because that introduced the dead hand. He should distribute them in his own lifetime and under his own direction. Carnegie's ideas did not run to charity at all. He did not feel that he could be most useful aiding the underprivileged and the misfits but rather in averting the development of further legions of misfits. His cure was the spread of mass education. "I am less interested in the submerged tenth than in the floating tenth."

Riots at Homestead

No chapter in Carnegie's life has brought down upon his head more violent abuse than the Homestead strikes of 1892 when Pittsburgh was the scene of riot and murder. That the bloodiest industrial strike of modern times should have taken place in one of the mills of the great pacifier, the enlightened industrial democrat, was the most biting irony of Carnegie's life. Mr. Hendrick gives a comprehensive account of the dispute and makes it clear that to the extent that the steel company was to blame in this labor catastrophe the responsibility rested upon the shoulders of the eternally immovable and inscrutable Frick.

Carnegie had settled a strike in the Thomson works a few years in accordance with principles he had already published; to recognize unions, to share with workmen half the benefit of lowered costs due to machinery, not to resist strikes but to close his plants and sit down and wait, not to hire strike breakers but to hold his job intact for every striking workman until the majority of them wanted their jobs back again on the company's terms.

But Frick's plan was to fight force with force. At the time of the Homestead strike, Carnegie was, in accordance with his life-long plan, spending the summer in Scotland. The strike and Frick's purposeful stubbornness shocked Carnegie inexpressibly but he publicly supported Frick, feeling he could give no less justice to his chief lieutenant; knowing, too, that any suggestion of public repudiation of Frick would be interpreted as supporting the rioting strikers. This latter he could not do. Carnegie conceded no right to strikers to place people or property in jeopardy.

Some Views on Canada

A letter written to Gladstone in 1891 has a passing reference to Canada. Carnegie interpreted Sir John A. Macdonald's victory in the election of that year as a defeat for Imperial sentiment in Canada, since the centre provinces voted against the Conservatives. He said, "Nothing can long keep the English-speaking race under different governments upon this continent. There is no use in any Canadian delegation going to Washington in the hope of effecting reciprocity. If Canada wants the advantages of the American market it must become American — Republican."

In a letter written in 1908 Carnegie outlined his vision of a reunited States, with Britain as one of the American states. "Some day the old home and new homes, Canada and America will be united. Canada will play the part of Scotland on a grand scale annexing her southern neighbor as Scotland did England for her good."

On still another occasion Mr. Carnegie borrowed from The Times to refer to Canada's destiny as the flux to bind the English-speaking races together.

Cashing in His Chips

Carnegie's closing years as a manufacturer brought unexampled prosperity to his steel mills. When profits approached $50,000,000 a year he remarked that the sum seemed wicked. He weathered the panic of the '90's because he had withheld large dividends while his associates pleaded in vain. And in 1896, when the world's greatest iron ore deposit, the famous Mesabi iron range was discovered, Carnegie—although slow at first to recognize its importance—leased it from the, in this case more nimble John D. Rockefeller and ensured world steel supremacy for his companies and their great successor, U. S. Steel Corporation.

Carnegie brought men rapidly into partnership in the golden age of the late '90's. Promising men were given interests as small as one-ninth of 1 per cent but that minute fraction might be worth $25,000 a year added to a good salary. Schwab's one per cent was worth $210,000 a year when he was still only 35. There was never any stock and no bonds. There were no officers—only partners. For all his 58½ per cent interest, Carnegie never had a title such as president. He was simply the Boss.

Anti-climax

Carnegie reached the peak of his industrial significance in the years before he sold out to Morgan to permit the United States Steel Corporation to come into being. After that the story of his life is in a business sense anti-climax and is more properly the story of Morgan, Schwab and Gary. But the nineteen years he lived during the present century enabled him to translate into reality the ambitions he framed in his youth of distributing for the good of the world the wealth he accumulated in his industrial years.

In Mr. Hendrick's interpretation Carnegie, the internationalist, the friend of the great statesmen of his time, and the worker for a better world outshines Carnegie, the steel maker. This no doubt reflects Mr. Hendrick's own instinctive appreciation of the political and intellectual phases of life. Yet the business side of Carnegie is portrayed as the magnificent drama it was and were the chapters devoted to the story of steel extracted from the two volumes and published as a separate book they would be a complete and interesting story in themselves.

"The Life of Andrew Carnegie" is published by Doubleday, Doran and Gundy, Toronto, in two volumes at $8.

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Canadian Mining News

NORANDA EARNS $1.26 PER SHARE IN NINE MONTHS

Copper Output Steady at About 5,000,000 Pounds Per Month

The quarterly report of Noranda Mines for the three months ended September 30, 1932, shows estimated net earnings of 35 cents per share as compared with 42 cents per share in the second quarter and 49 cents per share in the first quarter, making the total earnings for the nine months period of 1932 equivalent to $1.26 per share as compared with $1.07 in a similar period in 1931.

The company's copper production has been held on a very even level, averaging about 5,000,000 pounds per month with the third quarter's output shown at 15,771,569 pounds. The principal reduction in earnings can be attributed to the declining price of copper. At the beginning of 1932 copper was selling at 7 cents per pound in New York and had declined at the end of the first quarter to approximately 6 cents a pound while at the end of the second quarter it had further declined to approximately 5⅜ cents per pound. The end of the third quarter showed some slight improvement but since that date further recessions have occurred to new low record price levels. How important the fluctuating price in copper is to the company is better understood when on the basis of current rate of production i.e., 60,000,000 pounds annually, a one cent price fluctuation means a difference of 26.8 cents in the net earnings of the company.

Earnings in the first nine months of 1931 amounted to $1.07 per share, but due to accounting methods of the company, which threw adjustments into the final quarter of the year, total earnings for 1931 were reduced to $1.06 per share. Assuming the same basis for calculating net profits, earnings for the whole twelve months of 1932 would not be substantially changed from the nine months' figure or $1.26 per share.

In any event, despite low copper prices the company is headed for a more profitable year than in 1931 when 50 cent dividends were disbursed to shareholders. Already in 1932 50 cents per share has been paid in dividends and another disbursement is regarded as imminent. Conjecture is as to whether there will be another payment of 50 cents as earnings would permit or a bonus payment.

The following is the three months and nine months production and earnings statement:

	3rd qu. 1932	9 mos. 1932
	$	$
Total recovery	2,990,245	9,193,609
Less: Mining, adminis., and general exps.	1,639,959	4,877,102
Reserve for taxes	197,000	491,034
Net oper. earnings	1,153,286	3,825,473
Add: Misc. income	89,727	277,290
Total net earnings	1,243,013	4,102,763
Less: Res. for deprec. (15%)	388,967	1,107,909
Res. for conting.	75,000	175,000
Estim. net appl. to stock	779,046	2,819,854
Estim. Earn. per Sh.	$0.35	$1.26
Production:		
Copper anodes prod., lbs.	15,771,569	45,301,442

FALCONBRIDGE EARNS $425,388

Liquidated Stocks in Third Quarter Make Big Showing

Falconbridge Nickel Mines reports a net profit of $425,388 for the three months ended September 30, 1932, bringing the total net profits for the nine months to $523,427. The large increase in gross operating profit for the last quarter is due to sales of nickel stocks carried forward from last year.

The increase in refined nickel production for the quarter is due to the toll business being restricted and thus giving greater plant capacity to the company's products

The following is a tabulation of earnings and production for the last quarter and total for the nine months of 1932:

	Third Quarter 1932	Nine Months 1932
Production:		
Tons smelted	30,463	92,358
Nickel in matte produced, lbs.	1,488,329	4,451,131
Copper in matte produced, lbs.	609,667	1,835,500
Refined nickel produced, lbs.	1,605,642	3,982,039
Refined copper produced, lbs.	539,296	1,487,669
Earnings:	$	$
Gross oper. profit	508,082	769,293
Add: Non-oper. rev.	2,608	10,040
	510,690	779,333
Less: Estimated write-offs for depr. & deferred develop.	65,302	195,906
Prov. for taxes	20,000	60,000
Net profit	425,388	523,427

Prospectors Airways Offers Rights on McWatters Shares

Prospectors' Airways propose offering a block of 300,000 shares in the newly formed McWatters Gold Mines, Ltd., to shareholders of Prospectors' Airways on the basis of three shares in the new company for each five Airways shares held. The price is to be 40 cents per share.

Of the authorized capitalization of 2,000,000 shares, 900,000 shares will go to Prospectors' Airways as vendors, and 100,000 shares to Dave McWatters and associates, stakers of the property. The balance of the issue is further underwritten by Huronian Mining & Finance in conjunction with Ventures Ltd., which own 118,000 and 125,000 shares respectively in Prospectors' Airways. The entire capitalization of $500,000 in Prospectors' Airways is now outstanding.

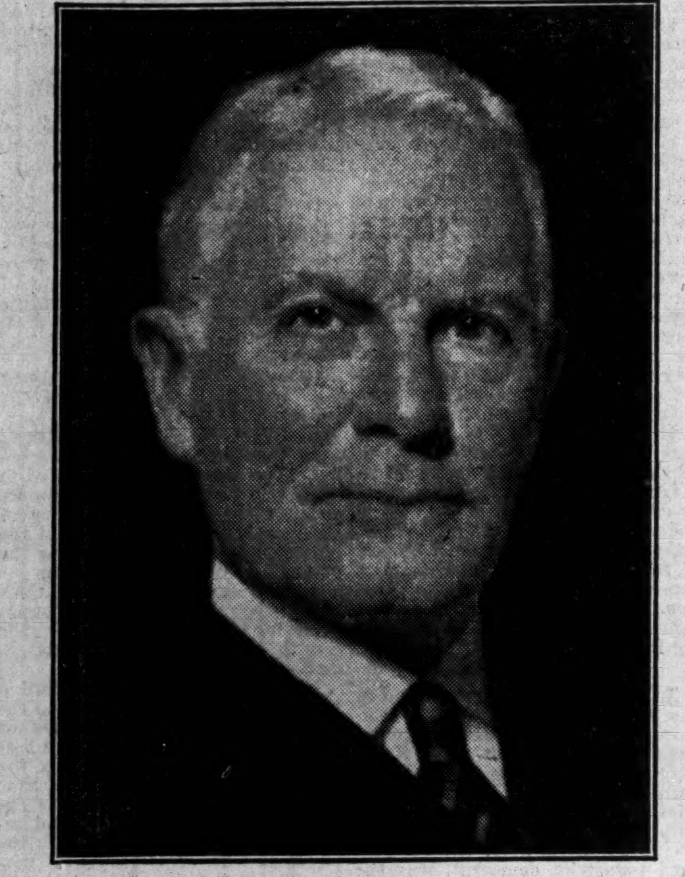
Cariboo Gold Quartz Mill About Ready For Operation

Present plans call for the new 100 ton mill of Cariboo Gold Quartz Mining Co., going into operation next week. The initial capacity will likely be about 75 tons daily.

This marks the new era in production of gold in the Cariboo district as it is the first commercial attempt at lode mining.

The Department of Mines of British Columbia has displayed a keen interest in the new development and recently John D. Galloway, Provincial Mineralogist, together with Douglas Lay, resident mining engineer, made a visit to the property.

Mining Personages in Canada



JAMES PERRY WATSON

President of The Mining Corp. of Canada, director of The Hudson Bay Mining & Smelting Co. and Base Metal Mining Corp., and vice-pres. of E. & S. Currie, Ltd.

J.P. Watson Has Reputation For Fair Dealing In Mining

Entered Mining as Executive and Built Up in Mining Corp. of Canada One of the Few Companies Able to Perpetuate Its Mining Existence

A successful mining enterprise requires more than a mine bountifully supplied with ore. A prospector may make a find of importance that engineers develop into a mine, but there must be an executive at the company's helm with ability to co-ordinate and administrate its affairs, if progress and profit are to be fully realized. Big business requires large-scale executives and mining is big business.

In 1908 Cobalt was winning world recognition as a silver producer. It had induced capital not only from Canada and United States but from England as well. Among the English interests in the Cobalt area was the Cobalt Townsite Mining Co., but its long distance administration was anything but a success. The ore was in evidence but debts instead of profits piled up.

J. P. Watson Enters Mining

About this time there resided in Toronto a mature business man, James P. Watson by name, who had long been allied with the textile trade. His shrewd business acumen had brought success to his firm. He had never been identified with mining but it was in his blood as his father had been in the early gold rush to Australia. As the opportunity to do likewise had never come to him he pursued a prosaic industrial life until the Cobalt silver camp came into prominence when he became an interested and frequent visitor to the area. About this time the London, England, firm of Rose, van Cutsem brokers and fiscal agents, were trying to manage the Cobalt Townsite property from London with the inevitable result of debts instead of profits piling up. A chance meeting between Mr. van Cutsen and Mr. Watson resulted in more than the sealing of a life friendship; it convinced Mr. Van Cutsen that J. P. Watson possessed that administrative ability so urgently needed by the struggling Cobalt Townsite property. Although professing to know nothing of mining, he was given "carte blanche" to do as he thought best for the struggling property.

From that early beginning he has evolved the Mining Corp. of Canada, one of the largest and most successful silver operators in the Cobalt area and which has disbursed to its shareholders over $10,000,000 in dividends. It was one of the three English companies operating mines in Canada to pay a dividend.

Always Looking to Future

When it became evident that exhaustion was facing the company's mines and that profitable operations must at some time come to an end, J. P. Watson set about to perpetuate the company's mining activities. Being a business man and having no misconceptions as to his technical knowledge of mining, he surrounded himself with a trustworthy and capable staff. He proved himself an excellent judge of men and of mining talent. By shrewd negotiation he acquired a 68 per cent interest in the syndicate owning the Flin Flon property in Manitoba. How profitable this venture was for his company is told by the fact that his company later disposed of it to the Whitney interests of New York for cash and shares having a market value of close to $3,500,000.

The reputation of Mr. Watson as a trader and negotiator is more than a local reputation. To his shrewd business ability can be attributed the success of this company. Although shrewd and keen in his business affairs he is known to be eminently fair. This characteristic has won the confidence of prospectors who bring tales of their finds to the company in implicit confidence that they will get a fair deal. As a result it is not uncommon for Mining Corp. to have the first refusal of new finds. This reputation for fair dealing has given Mining Corp. many opportunities to acquire properties that otherwise might have gone elsewhere.

Has Many Repeats

Few profitable mining companies are able to repeat in securing other profitable properties. It has been more than sheer luck that first enabled the old Cobalt Townsite Mine to acquire and consolidate the adjoining properties that perpetuated profitable mining in Cobalt for Mining Corp. In South Lorrain the company repeated again. While the company did not bring the Flin Flon into production it was in a large measure responsible and, in effect, it repeated there as well. The climax of the company's career was attained this autumn when it again repeated as the company's subsidiary, the Ashley Gold Mining Corp. went into production. To Mining Corp. thus goes the credit for the successful purchase or development of more profitable mining properties than any other company in Canada.

Thus at 70 years of age J. P. Watson has seen his 23 years of mining activties bring a reward that comes to few.

Born in Ontario, of Scottish ancestry, Mr. Watson has spent practically his entire life in the province of his birth and the major part of it in Toronto which remains his home. Aside from "The Bungalow" on the Georgian Bay, his summer residence, and his collection of antiques, he has no hobby other than the corporation he heads. At an age when less vigorous men are retiring he is still employing his wits and energy in the interests of his company, and, secondarily but in a very real sense, in the interests of Canadian mining as a whole.

Champion Reef Mining Has Offer For Property

Shareholders of Canadian Champion Reef Mining Co. are in receipt of an official notice calling a meeting of the company for November 22, 1932, for the purpose of considering an offer from F. C. Van Norman, for the company's property in the Shining Tree area of Ontario.

The alternatives are either to reorganize the company or dispose of its holdings and wind up the company.

Dyer Mills Property Again Being Worked

Renewed activity is reported at the Dyer Mills Mining Co. property in Guibord township, Larder Lake area Ontario. Recent work in charge of H. G. Dyer is said to have disclosed some exceedingly rich ore. The property is south of the old Croesus mine, also being further explored.

Dyer Mills Mining Co. was incorporated in 1928 and was financially sponsored by Niagara Falls interests, but has not been active in recent years.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

	Production—1932 Copper Pounds	Production—1932 Nickel Pounds
January	19,675,016	3,187,687
February	22,428,571	4,202,036
March	23,662,648	3,754,829
April	22,077,843	3,384,620
May	21,356,879	3,471,304
June	20,669,800	3,162,310
July	18,090,417	2,959,231
August	17,604,802	840,492

Teck Hughes Reports Profits of $3,732,087 For Last Fiscal Year

Earnings Best in Company's History Due to Premium

ASSETS INCREASE

Ore Reserves Decline as Does Grade of Ore Treated; Deep Work Looks Better

The eighteenth annual report of Teck-Hughes Gold Mines, covering the fiscal year ended August 31, 1932, reflects the most profitable year's operations in the company's history, with net profits, after all write-offs of $3,732,087, equivalent to 77½ cents a share on the 4,807,144 shares outstanding, as against dividend requirements of 65 cents per share. This compares with a net profit of $3,311,591 or 69 cents a share for the previous fiscal year.

The year under review was a record from the standpoint of tonnage of ore treated but due to the decline in the grade, the recovery per ton decreased to $12.52 from $15.08 reported in the previous fiscal year. The net normal value of the bullion also showed a slight decline from the records established in the previous year, but due to exchange compensation on bullion settlements, gross income was the highest in history.

The following is a comparative income and surplus account for the 1931-1932.

INCOME AND SURPLUS ACCOUNT
Years Ended August 31

	1932	1931
	$	$
Bullion prod.	5,953,687	5,973,120
Less oper. exp.:		
Devel. & explor.	595,222	465,558
Mining	1,054,386	959,867
Milling	472,490	450,967
Gen. expense	237,310	237,157
Taxes	483,177	372,252
Oper. earnings	3,111,102	3,487,319
Add non-oper. earn.:		
Exch. comp.	798,487	....
Profit on secur.	54,092	....
Int. & exch.	72,065	76,710
Total net earn.	4,035,746	3,564,029
Less: Deprec.	303,659	286,323
Net profit	3,732,087	3,277,706
Less: Dividend	3,122,644	2,876,786
Surp. for year	609,443	400,920
Add: Prev. surp.	2,722,111	2,291,191
Prem. on shs.	30,000	30,000
Bal. forward	3,361,554	2,722,111
Earn. per Share & Dividend Record:		
Earned	$0.775	$0.69
Paid	.65	.60
Shares Outstanding Aug. 31:		
Common, n.p.v.	4,807,144	4,797,144

Costs Decline

Operating costs per ton of ore treated, including taxes, showed a decline for the year. Exploration and development showed a slight increase, while all other items of mining costs showed a decline with the exception of taxes which increased 15 cents per ton during the year despite the increased tonnage of ore treated. Depreciation allowance on plant showed a slight increase over the previous year.

The following tabulations show production since inception of operations, together with comparative operating costs per ton for the past three years.

Summary of Operations
Fiscal Years Ending August 31

Year	Tons Milled	Value of Recovery $	Recov. per ton $
1917	6,291	48,440	7.70
1918	15,879	124,967	7.87
1919	16,907	149,875	10.27
1920	*	....	*....
1921	32,634	304,792	9.34
1922	43,300	481,144	11.11
1923	34,690	981,525	28.30
1924	42,381	1,111,674	26.23
1925	48,718	924,581	18.98
1926	79,564	1,461,367	18.36
1927	114,765	2,105,545	18.35
1928	276,652	4,504,707	16.28
1929	331,150	4,889,127	14.74
1930	340,675	5,415,970	15.90
1931	396,200	5,973,120	15.08
1932	475,700	5,953,687	12.52
	2,255,506	34,430,521	15.27

*No statement issued.

Production Costs Per Ton of Ore
Years Ended August 31

	1932	1931	1930
Devel. & explor.	$1.25	$1.18	$1.43
Mining	2.22	2.42	2.52
Milling	.99	1.14	1.24
Taxes	1.00	0.85	0.81
Gen. exp.	.50	0.60	0.59
Total oper. exp.	5.96	6.19	6.59
Deprec.	.64	0.72	0.63
Total cost	6.60	6.91	7.22

Premium on capital stock issued is shown at $30,000, the same as has appeared for the past three years. This is explained by the issuing of 10,000 shares annually to D. L. H. Forbes under an option agreement at $4 per share, which have been taken up despite the fact that it is higher than the current market price. After all write-offs and reserves and the payment of dividends of 65 cents per share as compared with 60 cents in previous three years, $639,043 was added to the surplus account.

Current Assets Increase

The current assets of the company increased over $1,000,000 during the year.

Following is a tabulation of current assets and current liabilities for the past two years.

Working Capital
As at August 31

	1932	1931
	$	$
Current assets	3,768,398	2,707,387
Current liabs	729,067	657,966
Working capital	3,039,331	2,049,421

But little information was added by the report regarding the deep mine development, except to state that the ore found to date on the new levels below the 30th has been somewhat lower average grade than on the levels between the 10th and 25th. The result of the deep development was regarded as satisfactory by D. L. H. Forbes, president of the company, who said it furnished proof of the expected downward continuation of ore. Furthermore, he said there had been no change observed in the geological conditions and there is still the probability of encountering additional large high grade ore bodies similar to the ones found elsewhere in the mine. The estimated value of the ore blocked out below the 30th level is $9.68 per ton.

Less Development Done

The total development work completed during the year was 17.941 lineal ft. as compared with 19,985 lineal ft. in the previous year. A greater amount of winzing and shaft sinking was completed during the past year but the amount of drifting and cross-cutting and raising declined as did the amount of diamond drilling. There was a slight decline in the total tonnage of positive ore, a slight increase in the broken ore reserves and a slight decline in the tonnage of blocked out ore. The average grade fell to $12.66 from $14.78 shown the previous year. The following tabulation is the technical estimate of positive ore reserves.

Positive Ore Reserves
As at August 31

	1932	1931	1930
Broken, tons	335,135	313,691	260,912
Value, $	4,032,254	4,521,442	4,540,585
Grade, $	12.03	14.41	17.40
Blkd. out tons	291,354	331,693	315,377
Value, $	3,899,084	4,694,651	5,503,424
Grade, $	13.38	14.15	17.45
Total tons.	626,489	645,384	576,289
Value, $	7,931,338	9,216,093	10,044,009
Grade, $	12.66	14.28	17.43

Drilling Reid Authier Claims

In the report, D. L. H. Forbes, president of the company, says, "Recognizing that more favorable opportunities exist now than formerly for acquiring new mines in mineral areas outside of the Kirkland Lake district, your directors have authorized the expenditure of moderate sums for exploration and mine examination work."

An option has been taken on the Reid Authier gold property in the Hurricana district of Quebec. Diamond drilling is now under way in charge of J. G. McMillan, exploration superintendent.

The annual meeting of the company is called for November 21, in Toronto.

Wright Hargreaves Shaft Sets Record

Wright Hargreaves Mines is making rapid strides with its shaft sinking programme and indications are that it will reach its 4,000 ft. objective well before the annual meeting on February 28, 1933.

At the present time the shaft is just below the 3,300 ft. horizon. A record for speedy shaft making was established in Northern Ontario, when, during September, 317 feet of sinking was accomplished.

Report on Cadwallader Property is Promising

Preparatory to a development programme a report has been received on the property of Cadwallader Gold Mines, owning 10 claims on Cadwallader Creek, south from Pioneer Gold Mines in the Bridge River district of British Columbia.

The report was made by T. E. Peterson, E.M., recently returned from Russia where he had been engaged by the Soviet Government in examining the mines in that country. The property is known as the "Royal Group" and consists of 10 claims.

Mr. Peterson's report in part is quoted as follows:

"It is my opinion the quartz vein on Royal No. 5 claim will prove worthy of development. I expect drifting along the strike of the vein will prove the presence of commercial shoots of gold ore. When presence of pay ore shoots are proven, I recommend the mine be equipped with machinery and shaft be sunk to prove the vein in depth. And, judging from experience of Pioneer mine, I would expect more uniform values and longer ore shoots with depth.

"It is my opinion other veins will be found on this group of claims, and I recommend that next spring, when there is water in the creeks, that the diorite be further uncovered by ground sluicing in expectation of locating more veins"

Last Chance Gag Used on Holders of Siscoe Stock

Shareholders of Siscoe Gold Mines are being deluged with literature from the Stock & Bond Investment Co., of Montreal, offering one more chance, as Siscoe shareholders, to buy shares in the Stanley-Siscoe Gold Mines at 30 cents each.

After November 21, 1932, so the circular says, the privilege will be null, void and cancelled and no stock will be sold at less than 50 cents per share.

An amusing angle of the circular is that the first $20,000 received from this campaign is to be used solely for advertising purposes to "influence" a higher price for the shares.

Some Stanley shareholders do not understand why funds are to be applied for advertising when the property is in the nebulous stage of development and therefore urgently requires funds if results are to be attained. They are further bewildered over how advertising is to boost the value of the shares when they are not listed. The present value is an arbitrary one set by the financial sponsors, Stock & Bond Investment Co., and Dave Fingard, it is understood.

Tailings

October gold production by Siscoe Gold Mines was $80,351 from 5,618 tons treated, an average recovery of $14.30 per ton. The mill treated an average of 181 tons daily. This compares with an average recovery of $15.70 per ton for the three months ended September 30, and a daily average of 173 tons. September production averaged $13.18 per ton while the mill averaged 175 tons daily.

* * *

The Norgold Synd. has optioned a gold prospect in British Honduras and has made arrangements for a diamond drilling organization in that area to conduct a programme. Norgold Syndicate is comprised principally of Rochester people and the funds are being raised principally in that area. It had an option on the Authier property in Boston Creek area, but dropped it when diamond drilling did not show encouraging results.

* * *

Exploration has been resumed at White Rock Gold Mining Company's property in MacMurchy township, West Shining Tree area. William McVittie, of Sudbury, long identified with the claims, is providing the necessary funds. Prior to 1920 two vertical shafts, one 40 and the other 65 ft., were sunk approximately 1,000 ft. apart. A venticular vein averaging about 3 ft. in width and known as the Saville vein, named after the staker of the property, has been traced northwesterly for about half a mile. The quartz varies from a mere stringer to 6 ft. in width It is understood the property has now been pumped out and small compressor plant installed.

Newbec Mines, which, some time ago, had claims staked in Greenlow Township, Swayze area, Ontario, by its prospector, Austin Dumont, is now busy conducting preliminary exploration work. The company's holdings are near Hotstone Lake, where a quartz vein has been trenched in six or eight places over a length of 80 ft. with visible gold found over widths from 2 to 8 ft. W. B. Airth is in charge of the exploration party and plans call for further trenching and systematic sampling before diamond drilling will be done.

* * *

Work is being resumed at the McCarthy-Webb-Goudreau Mine, according to official information. The company's property consists of seven claims in the southern part of township 49, three miles east of Goudreau, on the Algoma Central Railway. The legal dispute with the Consolidated Mining & Smelting Co., was settled in 1931 and recently a compressor plant was moved in to the property with plans to start shaft sinking at an early date. This summer a test shipment of ore was made from the property and results were said to be most encouraging.

* * *

Development work at the Georgia River Gold Mines, near Stewart, B.C., continues to show encouragement, according to Wellington Beaton, managing director of the company. The company owns approximately 32 Crown granted claims on the south fork of the Georgia River, 8 miles south of Stewart. Development, resumed this summer, struck the southwest vein giving the mine about 260 ft. vertical depth on that vein. On the Bullion vein the depth obtained by the tunnel working is approximately 400 ft. A third tunnel which it is planned to extend into the ore, will give another 170 ft. depth or a total of 570 ft. in ore.

* * *

Meridian Mining Co. owning the Oyster-Criterion, Lucky Strike, Eva and Cholna groups of claims in the Camborne area of British Columbia, let a contract for a 3,500 ft. wood stave pipe line. The old Criterion mill is being reconditioned to treat the low grade ore properties which were worked in the area about 30 years ago.

Canadian Tobacco Gains Popularity

Canadian tobacco is gaining in popularity in Africa, and recently Sierra Leone, among other places, has become a substantial buyer. A shipment of 7,600 pounds recently left the Port of Montreal for Freetown, the capital of this British possession.

Cowperthwaite's Company Seeks Scottish Capital

Edward Cowperthwaite, of Toronto, famed for many Ontario mining promotions hitherto unsuccessful, is seeking new fields to conquer. His last born, Madawaska Synd. and Madawaska Minerals, Ltd., are finding financial sponsorship among the canny inhabitants of Aberdeen, Scotland.

Madawaska Synd. was formed early in 1931 with 600 units at $250 each. About 400 of these units were issued to one Daniel Burke, of Killaloe, Ontario, for options on mining properties in and about Renfrew County, Ontario. Cowperthwaite's name does not appear as the vendor of the property, and the extent of his interest in the syndicate and company is not made clear.

On February 17, 1932, an Ontario charter was taken out for Madawaska Minerals, Ltd., with a capitalization of $5,000,000 in $5 par value shares. It was proposed to transfer the Madawaska Synd. units into shares of the limited company, but apparently the syndicate units are still being sold. In the returns to the registrar of Ontario companies, Cowperthwaite does not appear as an official, but he is listed as manager of the Madawaska Synd. T. H. Barton and Chas. Brookfield are shown as president and secretary-treasurer respectively. Later information shows Sir Henry Gray, prominent Montreal medical man, as president of the company.

No Commercial Ore Found

Cowperthwaite is supposed to have originally hailed from Westmoreland County, England, and has been connected with many promotional activities, principally centred about non-metallic minerals. He styles himself "mining technologist" and an authority on non-metallic minerals.

The Ontario Department of Mines has made several careful investigations into the non-metallic mineral deposits in the area which Cowperthwaite seeks to exploit, but despite the fact that the area has been under exploration for years, no commercial deposits of the minerals Cowperthwaite seeks funds to develop have been reported.

Metal Prices

New York—November 8.
Copper: Electrolytic spot 5¼ to 5⅜c. lb.
London—November 8.
(Long Ton).
Copper: Electrolytic spot £36 15s, future £37 5s.
Standard spot £33 2s 6d, future £33 5s.
Tin: Spot, £155, future £155 15s.
Lead: Spot £12 7s 6d, future £12 15s.
Zinc: Spot £15 7s 6d, future £15 15s.
Silver: 18⅜d per ounce.

Topographical Map Issued On Coppermine River Area

The Department of the Interior at Ottawa has just published a new map sheet of the National Topographical Series, covering the Coppermine River, Dismal Lake and a portion of the Coronation Gulf, Northwest Territories. This map is on the scale of four miles to the inch and has been prepared from aeroplane photographs taken by the Royal Canadian Air Force. It is the most northerly map of this series published to date and adds considerably to the geographical knowledge of this far northern area.

Copies are available by application to the Department of the Interior, Ottawa.

East Geduld Mines Makes Good Showing

The quarterly report of the East Geduld Mines in which Dome Mines holds about five per cent interest, showed an operating profit of £86,365 for the three months ended September 30, 1932.

During the period 6,751 feet of development work was completed, of which 4,165 feet was sampled disclosing 3,175 feet of payable ore assaying 15.8 dwts. over an average width of 39 inches.

This is equivalent to an average assay of approximately $16.27 per ton as compared with approximately $7.10 per ton previously reported over a stoping width of 58 inches.

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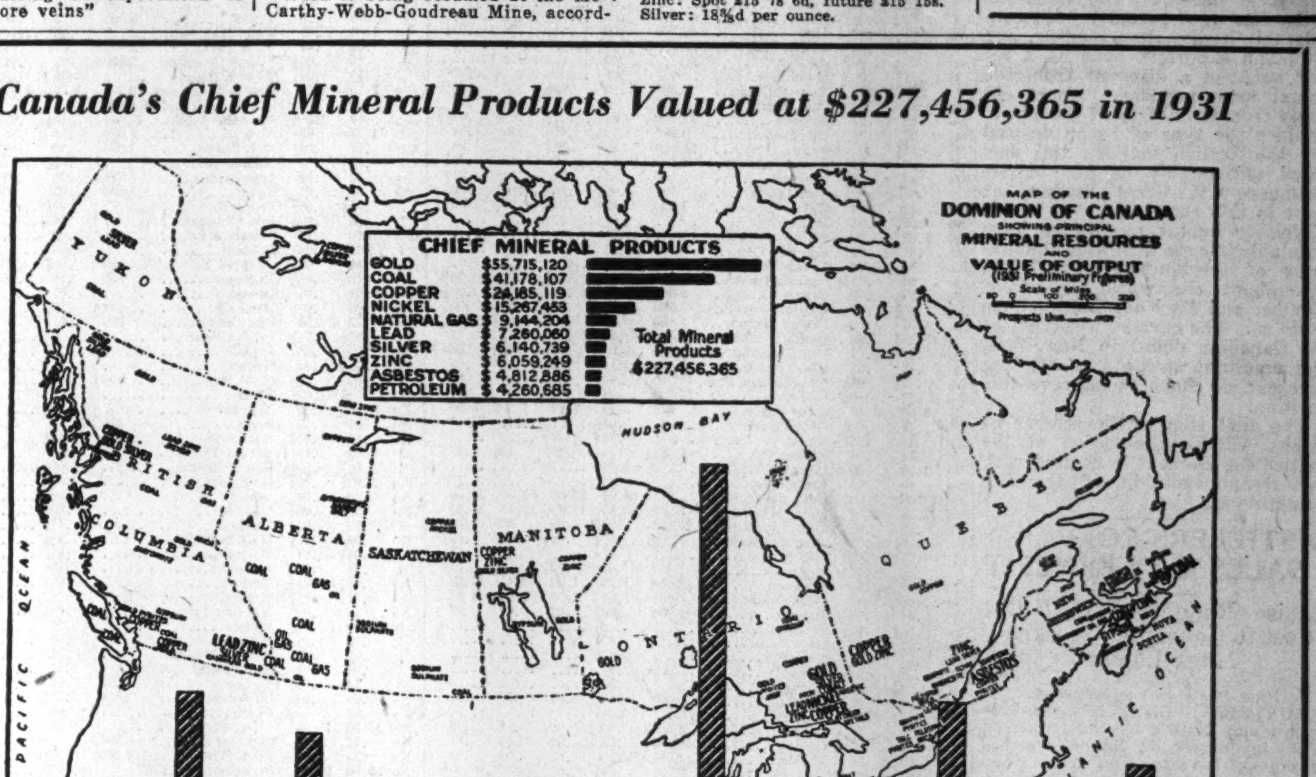

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